

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

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Increased Production Needs Challenge to Canning Industry

Chicago Processors' Conference Adjourns in Better Spirit Than Prevailed Last Year as 1944 Program and Pricing Details Are Outlined

The outcome of the Processors' Conference, held in Chicago on February 13-15, was summarized by President Carroll E. Lindsey in his remarks at the Annual Meeting of the National Canners Association on Tuesday, the closing day of the Conference, when he stated:

"The outstanding result of the Conference, I believe, is that canners, from what they heard, are encouraged to go ahead and do their best toward meeting the government's request for all-out production.

"I hardly need tell you that the conference is closing in a much better spirit than prevailed at the end of the Conference a year ago. Then we were led to expect much and received little. This year we were told what we might expect, and we received what was promised. By that I do not mean to say that we have all the details we will need, or that there are no further problems to work out. But we do have a pattern on which to go ahead with plans, and we have reason to feel that, while there has been delay in getting it prepared, this pattern will be the fundamental basis for whatever regulations may be issued.

"I think, too, that all of us are encouraged by the change from last year in both the personnel and attitude of the Office of Price Administration, which is now operating on more practical and business-like lines.

"The increased requirements of canned foods for the armed forces are a challenge to the production ability of the industry, and I feel confident that the industry will meet this challenge in the same patriotic spirit that has enabled it to break production records during the past two years.

"We face a most difficult problem in getting the labor required to produce the foods that the country and its armed forces need. This year, as last, the job of getting that labor will rest very largely on the individual canner and the community in which he is located. He will have to organize his recruitment plans well in advance of the actual operating season; he will have to make the best possible use of every agency that can give him assistance.

"The first day of the Conference there was placed in your hands the report of the Association's Planning Committee in order that you might study its recommendations in connection with the proposals and plans presented by the various government agencies. This report represents weeks of work, and I want to pay a richly deserved tribute to Howard T. Cumming for taking on the job as Acting Chairman of the Committee, staying with the job, and keeping others on the job in working out the report. Few of us realize the immense task in evolving plans that will be reasonably satisfactory to an industry that includes plants operating under such diverse conditions as exist in the canning industry."

As reported elsewhere in the INFORMATION LETTER, the report of the Planning Committee was approved by the Board of Directors at its meeting on February 12, and at the Association's Annual Meeting a resolution was adopted "that the members of the canning industry attending this Processors' Conference adopt and recommend to each governmental agency concerned, the plan recommended by the Committee on Planning for 1944 Production, and further urge that the achievement of the production goals set requires the adoption in full of such plan."

To place in the hands of all canners as promptly as possible the information presented at the general sessions on the first two days of the Conference, the addresses by government officials at the general sessions are reproduced in this issue of the LETTER.

Conference Sessions

The first day of the Conference was devoted to addresses on the food needs of the armed forces, government procurement methods and requirements, industry relations and industry advisory committees, scope of the activities of the Office of Distribution, details of the 1944 program for processed foods, and program on raw products. On the second day manpower and related problems, rationing, and processors' ceiling prices were discussed.

The addresses at these meetings will be found on pages 8054 to 8078, with exception of the remarks by Carl N. Lovegren, Head of the Processed Fruit and Vegetable Section of the OPA Food Price Division, who spoke informally following the discussion of processors' price ceilings, and paid a tribute to both the ability and cooperative spirit of his associates in the OPA.

The National Dehydrators Association held a general session on the second day of the conference, followed by its annual meeting. On the third day, the National Preservers Association held a general session, and the National Association of Frozen Food Packers held its annual meeting.

N. C. A. Annual Meeting

The Annual Meeting of the National Canners Association was held on Tuesday morning, when the report of the Committee on Nominations, presented by Chairman Ralph O. Dulany, was unanimously approved.

G. Sherwin Haxton of the Haxton Canning Company, Oakfield, New York, was elected President for 1944 and Fred A. Stare, of the Columbus Foods Corporation, Columbus, Wisconsin, First Vice President. Alfred W. Eames of the California Packing Corporation, San Francisco, was reelected as Second Vice President, and Frank E. Gorrell as Secretary-Treasurer. A list of the directors elected, as well as those holding over from 1943, will be found elsewhere in the LETTER.

Alfred W. Eames made a brief report of the work done by the Committee on Planning for 1944 Production, commending the members of the Committee for the large amount of time spent in conferring with officials of the various government organizations concerned and in drawing up recommendations covering the various problems involved. The full report of the Committee will be found on page 8052.

E. N. Richmond, Chairman of the Manpower Committee, made a brief report on the work done by the Committee and the Manpower Division of the Association during the past year, and on the Committee's recommendations for the coming season.

Irving F. Lyons, Chairman of the

Traffic Committee, reported upon the work done by the Committee to convince the Interstate Commerce Commission of the need of refrigerator cars in shipment of canned foods to certain sections of the country during the winter months to prevent deterioration or loss by freezing. He also called attention to the recommendations made to the industry by the Committee to carry out the request of the Office of Defense Transportation that more prompt and efficient use be made of freight cars during the present emergency.

H. T. Austern, of Counsel for the Association, made a brief report outlining the problems incident to disposition of government-owned surplus food stocks and indicating the desirability of awaiting new regulations under the amended renegotiation statute.

A statement of the financial status of the Association was submitted in the printed report of the Secretary, copies of which have been mailed to all members.

The report of the Resolutions Committee was presented by W. E. Beach of that Committee and was unanimously approved. The resolutions will be found on page 8078.

The meeting closed with the instal-

lation of officers. Mr. Haxton, in accepting the office of President, spoke of the splendid work done by his predecessor, Mr. Lindsey, and asked from the members of the Association their help and full cooperation in solving the many problems facing the industry during the coming year.

Speaking on behalf of the Association's officers and members, E. N. Richmond paid a gracious tribute to Mr. Lindsey, who retires after serving as President of the Association during two of the most critical years in the nation's history. As an expression of the Association's gratitude, Mr. Richmond presented to Mr. Lindsey a handsome Sheffield tray suitably inscribed to record his service to the industry and the Association.

Mr. Lindsey, in accepting the gift, expressed the pleasure he had derived from his service as President, his appreciation of the confidence reposed in him, and his gratitude for the loyalty and cooperation of the members of the industry and the Association's staff.

President Haxton announced the personnel of the Finance Committee for 1944, as given on page 8080. Membership of other committees will be announced later.

Canning Industry Plan for 1944 Production

The following plan was prepared by a committee of the National Canners Association, which has kept constantly in mind the fact the Government has asked for a maximum production of various canned foods.

The canning industry accepts this as its first objective and the following plans, related as they are to all phases of the industry, are considered necessary if the maximum production is to be secured. These plans, in the opinion of the industry, must be accepted by the Government if the industry is to reach this objective.

A. Support Prices:

1. Support prices should be announced immediately.
2. The support price for each product should in all cases be the price that the grower will receive for the product delivered to the customary point where the grower makes delivery to the processor. That is to say, the support price itself should not include any transportation costs from these points to the factory.
3. The support prices should be named by customary grades and shall be such as to permit canners to contract with growers in their customary manner—meaning at a flat rate per

unit, by grades, by varieties, or otherwise.

4. The support price on any commodity should be one that will be competitive with prices paid for the same commodity by those purchasing for uses other than canning.

5. Support price areas for 1944 should be smaller and should be determined on the basis of historical raw material prices to include only states or areas, including areas within states, that have had fairly uniform raw material prices.

6. If OPA sets up price areas for 1944, it is essential that such areas coincide in all cases with the support price areas.

B. Control of Raw Products Distribution:

1. Ceiling prices on raw products should be set at such a level as to provide proper distribution of the crop.
2. In the event of failure to set such ceiling prices, some program shall be set up that will insure proper distribution of the crops to the various classes of processors and the fresh market.
3. It is essential that any method employed to insure the proper distribution of raw products be effectively enforced.
4. In the event that any emergency surplus of any raw material develops,

the WFA should take responsibility by purchasing such surplus. The WFA may, if it is deemed expedient, divert such surplus through processing channels. If this is done, and the processor is to dispose of such goods, the WFA should arrange for him to sell them at his then prevailing ceiling price for, and on the same basis as he sells, such product.

C. Purchase and Resale Program:

1. This program should not employ finished processed goods as a measure of payment.

2. The purchase price should be the support price plus transportation costs from the usual assembly point to factory.

3. The resale price should be the raw product cost later to be reflected in the OPA ceiling price for the finished product.

4. The CCC payment to the processor should be the full amount of difference between the Purchase Price and Resale Price.

5. Any canner who in good faith attempts but fails to contract any percentage of his raw product which may be required should nevertheless be certified if his average purchase price equals or exceeds the area Purchase Price specified in the CCC contract. Any refusal to certify under any circumstance should be reviewed, upon request of the processor, by the War Food Administration.

6. The provisions of this program should in no way be related to the profit status of any processor.

7. Purchase and resale commitments shall be embodied in firm contract signed by both parties.

D. Government Reservations:

1. The Set-Aside Order should consist of a specific reserve and a contingency reserve item by item that should be no more than 10 per cent of the specific reserve for such item.

2. The option represented by the contingency reserve should be exercised or terminated within a reasonable time after the completion of the pack, and the procurement officials should devise a method for doing so.

3. A reasonable and practicable method and rate for the payment of carrying charges, other than insurance, should be developed by the Government. If the set-aside option is to be exercised or terminated within a reasonable time after completion of pack, payment for such carrying charges should begin 90 days from the date the sales contract is negotiated. If such option continues unlimited in time, such carrying charges should be paid on the entire set-aside portion of the pack beginning 90 days after the processor completes his pack of the particular item.

4. Responsibility for goods after sale and risk of loss or damage during

storage, other than that resulting from the processor's negligence, shall rest with the Government.

5. The Set-Aside Order should be issued at the earliest possible date, certainly not later than the date when support prices are named.

6. When once named in the Set-Aside Order, changes in the quantities reserved should be reduced to a minimum.

7. As to those portions of the pack which are directed to be set aside and held for direct Army purchase, there should be a definite and firm contract to buy either by the Army or by some other government agency at Army prices.

E. Floor Prices for Surplus Stock of Processed Foods:

1. A floor or support price should be provided for that part of the pack of each seasonal canned fruit or vegetable which the Government is not otherwise firmly obligated to purchase.

2. The Government should make this commitment to purchase at the floor price in a contract with specified provisions as to the time of payment and method of purchase.

3. Any processed foods sold by the Government should first be offered to the original producer of the goods, and thereafter should be sold only through regular trade channels.

F. Renegotiation:

There should be no renegotiation of any contracts for the sale to the Government of regularly manufactured seasonal canned foods; and the various government agencies interested in the production and procurement of canned fruits, vegetables, and fish should cooperate with the industry in securing an exemption from renegotiation of contracts for the sale of such foods as being standard commercial articles.

G. Rationing:

1. OPA should take the home-canned pack into account in the determination of the over-all supply.

2. In determining point values, OPA should give consideration to the current inventory in consumers' hands of both home-canned and commercially processed foods.

3. The WFA should direct OPA to declare a holiday on the rationing of all processed foods covered by green stamps between March 1, 1944, and June 30, 1944, with the resumption thereafter of rationing at any level which may become necessary.

4. The industry should accept the OPA suggestion for the appointment of a representative industry committee which the OPA may consult in establishing periodic ration values for canned foods.

H. Manpower:

1. Primarily the industry must accept the responsibility of exhausting all local possibilities of securing necessary workers. Both government and industry publicity to encourage recruitment should be continued.

2. The maximum numbers of war prisoners should be made available as near to cannery plants as possible, and pre-season distribution of such prisoners should be planned.

3. The maximum number of imported workers, secured under the amended Public Law 45, should be obtained by the War Food Administration and definitely assigned to cannery plants.

4. To the fullest extent adequate furloughs should be given to members of the armed forces willing to work in processing plants.

5. Fullest cooperation should be extended, including housing arrangements, to canners in arranging for the interstate transportation and employment of migratory cannery workers.

6. The National Selective Service authorities and local boards should recognize that, unless key men are available, the cannery industry cannot absorb and supervise a large number of inexperienced workers.

7. The Director of Economic Stabilization and the War Labor Board and its regional offices should provide a flexible and rapid method for adjustments of wage rates for individual processing plants, or, if appropriate, by regions, which become necessary for the maintenance of production in such regions. The War Food Administration in its control of agricultural wage rates should take into account prevailing wage rates for processing labor.

I. Ceiling Prices for Processed Foods:

In the development of OPA maximum price regulations covering 1944 production, the following principles should govern:

1. Price regulations should be established which will provide an incentive to production and afford a fair and reasonable margin to the processor, which will maintain the historical competitive relationships and differentials in price by style and commercial grades packed, and which will provide administrative machinery for prompt action upon all questions which may arise under such regulations.

2. Formula pricing should be provided to maintain such historical competitive relationships and to avoid the disproportionate production of lower grades which has resulted from regional flat pricing.

3. The base period or periods on which formula prices are constructed must be equitable and fair to all commodities and all producing areas.

4. Because of the hazards of raw material diversion, labor availability,

and wage rate levels, all of which are controlled largely by government and not processor action, there should in addition be adequate machinery for the prompt adjustment of hardships or inequities which may develop.

5. Ceiling prices should reflect the same raw material basis as the resale price in any purchase and resale contract for raw material entered into by the Commodity Credit Corporation. In the event that labor legislation prohibits the continuance of any purchase and resale contracts for raw material, ceiling prices should reflect actual raw material costs during 1944.

6. It is essential to maximum production that there be prompt announcement of the pricing method which is to be employed by OPA, and the issuance as soon as possible of the actual price regulations according to such method.

7. In developing its price regulations, the OPA should consult with those industry representatives who have been continuously studying the problems of pricing these processed foods.

J. Machinery and Equipment:

1. The administration of the cannery machinery, equipment, and supplies orders has been very satisfactory. It is suggested that the administration of these orders be continued along the same general lines as at present. It is understood that WFA plans to decentralize the granting of priorities. It is recommended that the centralized administration be continued.

2. Owing to the extreme shortage of labor available for cannery in 1944, it is recommended that the cannery machinery equipment and supplies orders be liberalized to the extent that more machinery and equipment may be granted for the purpose of saving labor.

3. It is further recommended that a larger supply of lift trucks and certain other machinery and equipment be allocated by WPB for distribution to the cannery industry.

4. The Committee recommends that the allotment of materials for farm machinery be increased to make available more farm machinery and equipment.

K. Vegetable Prices Certified to OPA:

The Committee recommends that WFA announce to the industry as early as possible, not later than March 1, the raw vegetable products prices it certifies to OPA to be reflected in the OPA maximum ceiling prices of the finished product.

L. Recommendation:

The Planning Committee recommends that the National Canners Association provide such committees as may be necessary to cooperate fully with the various government agencies in an effort to make this plan effective.

TEXT OF ADDRESSES DELIVERED AT THE PROCESSORS' CONFERENCE

Opening Remarks by President Carroll E. Lindsey

We are beginning today a series of meetings which we hope will develop the information that the processing industries must have in order to go ahead promptly with their 1944 production. All of us had hoped that this year we would be able to get an early start, but it did not turn out that way.

We do have the tin and glass container regulations.

We have reason to believe that the regulations on equipment and supplies, with which we are familiar, will not be materially changed.

We know that manpower will continue to be a most difficult problem and that its solution will depend, in very large part, this year as last year, upon the efforts of the individual canner and his community, although the assistance from the Government is expected to be better organised this year than last.

The principal subjects on which we lack information, and which we need

to know about, if we are to shift to high gear in our production planning are:

Food needs of the armed forces, and the amount of the processors' output that is to be set aside for the Government.

Prices that we will have to pay for raw products, and the way this pricing program will be handled.

Prices for the finished product—both the method of pricing them, and the actual prices.

I have no intention to recite the events leading up to this conference, or to attempt a forecast of what you will hear. You are all more or less familiar with the efforts to have a conference at an early date and why those efforts failed. As to what you will hear, I urge that you plan the use of your time so that you can be present at the various meetings to be held.

The Army's Food Needs

By Brig. Gen. Carl A. Hardigg, Office of the Quartermaster General

I am happy to again thank the canners, freezers, dehydrators and preservers for the splendid record they made in 1943 in spite of handicaps, and for the splendid cooperation they have given to the Army in its task of procuring processed foods for all government agencies. The growers also deserve sincere thanks for the successful efforts they made in 1943 in spite of real handicaps.

We have experienced many difficulties this year in manpower, materials and weather. In spite of these, a remarkable production was achieved. Our armed forces have been well supplied and our people at home have experienced much less difficulty than was expected. We can look forward to the same difficulties in production this year, but we can tackle our job with a lighter heart when our soldiers and sailors are doing their part and doing it so well.

I again wish to emphasize the necessity for every pound of preserved food in 1944 that can be produced. We hear reports and rumors of excesses and surpluses of foods, and rumors that some canners think that full production in 1944 is not necessary, but there is every indication that the demands for all fruits and vegetables will be greater in 1944 than at any time in the past.

The Army's requirements for canned fruits and vegetables from the 1944 pack are sharply higher than they were from the 1943 pack. The Secretary of War has stated that the number of men overseas at the end of 1944 will

be more than double the number that were overseas at the end of 1943. The need for canned fruits and vegetables for a man overseas is more than double the need for a man at home where our market centers make available more fresh fruits and vegetables per man than were made available in time of peace. In 1943 we had a relatively short pack of canned fruits and the Army reduced its demands for canned fruits as far as possible in order to make them more available to our people. Consequently, it now finds itself in a relatively short position on all canned fruits and for most canned vegetables. The Army must therefore obtain sufficient from the pack of 1944 to last until the pack of 1945 for the greatly increased overseas strength.

The Army has used frozen fruits and vegetables for the troops in the United States as refrigerated ships and refrigerated warehouses overseas have not been sufficient to make their use overseas practicable. Since the increase in men overseas results in a corresponding decrease in men at home, the Army's requirements for frozen fruits and vegetables in 1944 will be somewhat less than those of 1943.

The Army's requirements of dehydrated foods in 1944 are sharply higher than for 1943, particularly for those items that have proved most satisfactory and acceptable to the soldier. It cannot be too strongly emphasized that dehydrated products must be good products and, therefore, must be made from fine raw material and carefully processed and packed—for it is only in this manner that we obtain those good foods that we must have for our soldiers.

The Army's requirements for preserves, jams and jellies are sharply higher in 1944 than they were in 1943. Due to the short crop of berries and tree fruits in 1943, the Army is having great difficulty in obtaining the preserves, jams and jellies required for this year and finds itself in a short position in almost every item. We ask the cooperation of the industry in making available to us our requirements of these essential and useful foods.

Due to wartime transportation difficulties, the lack of proper storage facilities in overseas theaters and the very bad climatic conditions that exist in many of these theaters, a great deal of difficulty has been experienced with packing cases and rusty containers. As most of you know, in our efforts to combat these conditions, can coating and V-boxes have been developed. We realize the great difficulty of establishing coating facilities at the canneries and the difficulty of obtaining and storing V-boxes, but no way has been found to coat cans or to pack them in V-boxes at any place other than the canner's warehouse without a great waste of transportation, extra handling and the loss of millions of cases used to ship the cans from canner's warehouse to the coating and packing plants. We ask the continued cooperation of the canning industry in obtaining coated cans packed in V-boxes in order to reduce to the minimum the loss of food and to insure the full supply to our soldiers overseas.

One question occasionally arises in our negotiations with canners. I refer to the allowances for the savings which canners make in sales to the Government as contrasted with their sales in the civilian market. We have felt that in our position as buyers for your Government it was incumbent upon us to see that such savings were properly reflected in the prices we paid. I believe that all of you will agree that direct buying from you, such as we have done, represents the most economical method of buying, and many in the industry have applauded us for this businesslike approach.

I want to say a word about payment of invoices. In government there is, of necessity, more paper work than in civilian sales. We have made remarkable progress in reducing the time taken for checks to reach you, but you must bear in mind that payment of our invoices within ten or 15 days is just about the best we can do in view of all the problems involved.

With a great deal of regret, I must announce that we are losing Howard Hamilton who has so ably and efficiently directed the canned fruit and vegetable program since its inception. We would not have willingly allowed Mr. Hamilton to return to his duties with the American Can Company if we had not been convinced that to insist

on his continuing would interfere with his career with his company. It is entirely unnecessary for me to tell this group of the great job Mr. Hamilton has done over the last three years. The tasks he faced in coordinating the requirements of all the governmental agencies were performed with great efficiency. In his relations with the canners, I know that he has earned the respect of all for his honest, straightforward dealings. He has done one of the really outstanding jobs in the war effort. He will continue with us until the program for 1944 is established, and we hope we will continue to have his help and guidance in this and future programs.

Mr. William Vaughn has been with the program for two years and has been Mr. Hamilton's assistant and under-study during this time. I am happy to

announce that Mr. Vaughn will assume Mr. Hamilton's duties and, needless to say, Mr. Vaughn and all of us will do our very best to continue the splendid relationship which exists with your industry.

While we cannot see the end of the war, we can look forward with confidence and with the knowledge that we are one year nearer to that end. To finish it at the earliest possible moment we need everyone to give his best and undivided interest to winning the war.

In conclusion, I wish to thank the growers and processors for the support and cooperation they have given the armed forces and the other government agencies during the past year, and I assure you that we will do our best in the future to do our part to maintain and deserve that cooperation.

Government Procurement Methods and Requirements

By J. Howard Hamilton, Consultant,
Office of the Quartermaster General

I am happy that it is again my privilege to address you and hopeful that there will be similar opportunities in the future under different conditions.

In the interest of conserving time, I have been asked to be the "lead horse" in outlining the program that has been set up for you to follow during 1944, insofar as procurement of canned fruits and vegetables for governmental agencies are concerned. The fellows here with me were all instrumental in formulating the present program, so if you have any complaints, feel free to hop on them, individually or collectively. They are:

(a) W. E. (Bill) Vaughn—to head up program—relationship after two years with constant association.

(b) E. N. (Nort) Reuswig—came with us as a buyer and has developed into an able statistician.

(c) Wade Hall—formerly with Continental Can Company.

Naturally, the buyers in the field have had a tremendous influence on our plans as they have been in the front lines working with you. All of them are here somewhere so feel free to go after them also.

The new set-aside or reservation order, FDO 22.6, will be administered by the Food Distribution Administration. However, we have been reluctant to relinquish control of the order because we brought the baby into the world back in 1942 and have been fathering it ever since. I hope that no one in FDA feels that we are taking too many liberties with this order which is rightfully theirs. The Army, however, has again been designated as the procuring agency for the quantities of canned foods set aside by this order for all governmental agencies, so we are quite close to its actual operation.

I don't know how many of you have ever attempted to push a grand piano

through a transom but that is comparable to our efforts of the past few days in getting FDO 22.6 signed and placed in the *Federal Register*. The order was signed at 4:30 p.m. February 11. Consequently, it is not in print yet. However, you will have copies at your offices when you return.

Some weeks ago all of these War Department men with me came into Washington and for several days we gathered around a table—working on suggestions made by your industry as to how we could improve the government procurement program. Some suggestions we adopted and, of necessity, rejected others. In the last several months we have attended many of your State meetings and at those meetings we learned of resolutions being passed that reflected the desires of your industry insofar as supplying government was concerned. In addition, WFA requested many of you to suggest how relations between government and the canning industry could be improved. Those who had complaints stated their case, and those who had no complaints thought up some. We reviewed the resolutions and reports to WFA and finally decided that under present war-time conditions we were doing the best job we knew how in supplying government needs and keeping peace with you.

Therefore, we recommended comparatively few changes in the new order except percentage-wise reflecting requirements and briefly the changes in the order are as follows:

(A) The base period in FDO 22.6 is now set up reflecting the average of your 1942-1943 production. The percentage will apply against your base pack in this manner. For example, if in 1942 you packed 75,000 cases of an item and in 1943 packed 125,000 cases of the same item, we have considered your base pack to be 100,000 cases, and if our requirements percentage-wise are 50 per cent, you now have on your books an order for 50,000 cases. If you produced in only one of the two years,

the quantity packed that year will be considered your base pack and the percentage will be applied against it. If you have not previously, or at least within the past two years, packed a particular item in the order but will make a pack this season, the quantity you pack will be considered your base period.

(B) Previously, you were required to pack at least two-thirds of your requirements in the largest container possible. It is now required that you pack, insofar as possible, at least one-half but not more than two-thirds of your quota. The agencies, in many cases, find that shelf sizes are desirable and necessary. For example, they are needed in the combination rations, small encampments, etc. On the other hand, larger containers are extremely desirable for large messes.

(C) Apple sauce again appears in the order as it did in 1942.

(D) We had hoped to include sauerkraut but for several reasons it was necessary to delete the item. It is hoped that at an early date a special order will be set up covering this item and reflecting the agencies' requirements which are at the moment 7,992,300 dozen cases No. 2's.

(E) Citrus does not appear in FDO 22.6 as it is now set up under FDO 22.5, which is effective on the current pack. A new order will be issued to cover the 1944-1945 pack.

(F) You will note the contingency reserve has been set up at 10 per cent of the specific reserve, which was a request made by your industry. We were also requested to have a termination date on the contingency reserve, and while we were not able to formulate a satisfactory solution to this request so that it could be placed in the order, it is being given serious consideration.

(G) The language of the order has been changed appreciably but the meaning is the same as heretofore. Orders of this type must be approved by government attorneys and apparently it is impossible for them to approve an order or procedure without making some changes even though the particular order or procedure has worked efficiently and effectively. Like death and taxes, however, it is presumed that we will always have them with us.

Requirements of the various agencies were not "nailed down" until the middle of last week. In fact, there is still a little refumbling of requirements between the agencies but the percentages expressed in the present order are considered to be the final word. It was impossible to get the officials of the responsible agencies to approve the order until the requirements were spelled out. Therefore, you have witnessed a miracle in having this order come out of Washington in such a short time. The percentages that will be given to you reflect the very best requirement figures available at this time, but they are subject to change as war conditions change.

It is hoped that any necessary changes will be made some time this coming May. We have tried to impress the agencies with the necessity of giving us the best possible requirement figures because I know of nothing more confusing to both buyer and seller than having requirement figures changed at a late date. I am convinced that the agencies have projected their needs in the best terms possible.

When we added up the requirements of the various agencies it was evident that we would have to get busy and plant some quick bearing fruit trees because requirements in some cases exceeded possible production. Some of our economists indicated that it was not possible to develop trees that would bear additional fruit by September, 1944. So we followed the next best course and considered the maximum amount of fruit that could be set aside and worked backwards from there to arrive at requirements for the agencies, and the percentages now in the order reflect that procedure. On several previous occasions we have told you that we frequently start out with the answers and worked backwards, and this is a typical example. This procedure resulted in our pro-rating the agencies' requirements or, in other words, we requested each agency to reduce downward and adjustments were made on the best potential production of the individual item.

(A) Announce total fruit requirements and add citrus requirements.

Fruit—72,856,477 dozen 2½'s.

Citrus—28,753,386 dozen 2's.

The same economists mentioned before determined that vegetables could be treated differently than fruits, so instead of taking the answer and working backwards we took the actual requirements as given to us by the agencies except with some minor adjustments.

(a) Announce total requirements of vegetables 183,459,293 dozen No. 2 tins which includes sauerkraut.

(b) Incidentally, as mentioned before, sauerkraut which is not in the order will be set up later, also other items such as sweet potatoe, sweet cherries, Italian plums, etc.

Requirements for this year are appreciably larger than in any previous year since the war started. General Hardigg has given you the most important reason for the increase:

1. Increased troop strength overseas.
2. Agencies and particularly the army will be out of canned foods prior to the 1944 packs.

3. I think I can best demonstrate our position by comparing 1942-1943 and 1944-pipe line over procurement reduction of requirements—canned food requirements of increased troops out of the states.

Undoubtedly, industry and distributors have been led to believe that tremendous quantities of canned foods are being held in storage by governmental

agencies and that government warehouses are overstocked. This impression, if it applies to canned fruits and vegetables, is decidedly misleading. The only canned foods that have been released to civilian trade, percentage-wise are negligible and I think the most fuss has been about a couple of million cases of grapefruit juice. One agency found itself in a position where their potential consumer did not require this item. Therefore, it was only common sense for them to arrange a program whereby the citrus juice they had on hand could go back into civilian channels. Incidentally, insofar as the armed forces are concerned, not one single case of merchandise that has been purchased has been released. There has been a definite need for every pound of it.

Now let us assume (plus a lot of headaches) that your 1944 pack of canned foods in your warehouses—we have a simple little task for many of you—the coating or treating of a part of the Army and Navy export requirements. I mentioned the possibility of this task over a year ago, and since then that possibility has developed into a real reality as we have now been directed to set up a program for the coating of over 40,000,000 cases of canned foods.

(a) The primary reason for coating cans is to protect them against external corrosion. A secondary reason is camouflage. We don't know how the boys are going to handle the inside of the can after it has been opened.

(b) One year of experiment has been conducted by the N.C.A. and can companies.

(c) A directive was issued to set up coating facilities at 10 or 12 canneries.

(d) Now the 40,000,000 cases which is a much bigger job than any of us appreciate at the moment.

(e) None of us in government or the canners knew how to go about getting the job done but we asked canners to go ahead and work it out for us insofar as equipment, proper coating, etc., were concerned. The results have been typical. You have devised ways to do what has been asked of you, by the armed forces. If you have not been counseled with by your field buyer, many of you can expect a visit in the near future, as export requirements are tremendous, and not only the larger but many of the smaller camps will be requested to help in this program this year.

After the cans are coated, V-boxes with sleeves are to be used, and these boxes are to be strapped with two steel bands or wires as they were this past year.

(a) The Army guarantees the purchase price.

(b) The necessity of placing orders now.

(c) Acceptability of V-2's where V-1's are ordered but are not obtainable.

(d) All cans in V-boxes are not to be coated, but your field buyer will give you the necessary instructions.

(e) 75 per cent of all requirements under the set-aside order will probably be in V-boxes, destined for export.

Instructions have gone out to the depots, insofar as Army and Navy requirements are concerned, for export, to eliminate labels on the cans provided the cans are embossed or properly printed to identify the contents. Incidentally, I personally feel that printing after painting is most desirable. Certainly, none of you can realize the conditions to which your merchandise is subjected and I hope that you will appreciate that all of the work and expense applied to export packing is absolutely necessary for the preservation of these critical foods. After all, there is no point in exporting merchandise that does not arrive at destination in an edible condition. The agencies requiring this special export packing will of course continue to pay you for the additional materials and labor involved.

Conservation of tin requires the use of substitute plates for cans and while the agencies will try to get by in the states with whatever the civilian uses, it is essential that the best possible containers be used for export. We have arranged with the War Production Board to permit can companies to supply canners that are set up for export, with the best possible plate, even though it means a departure from instructions now incorporated in M-8f, the tin conservation order.

While all of you must give a lot of thought to the details of this global war and the resulting problems, when concluded you cannot and must not lie down on your job—producing food. In other words, a football team cannot quit playing on the 10 yard line or that team will lose the game. None of us wants to lose this war and frankly I doubt that many of us have given much thought to what our predicament would be if we did lose it. It takes a lot of mental courage to think that one through.

State Secretaries' Dinner

Secretaries of State and Regional canners' associations were guests of Secretary Gorrell at a dinner on February 13, following which they heard a brief address on the 1944 requirements of the armed services by Brigadier General Carl A. Hardigg of the Office of the Quartermaster General.

The group adopted the name, Association of State and Regional Secretaries, at this meeting and named the following officers for 1944: President, Lee A. Taylor, Association of New York State Canners, Inc.; 1st vice president, Harvey F. Cahill, Utah Canners Association; secretary-treasurer, A. F. Dreyer, Indiana Canners Association (reelected).

Cooperation between Government and Food Industry

By E. A. Meyer, Chief of Industry
Operations Branch, Office
Of Distribution, WFA

World War II has made this country processed-food conscious.

Such a development has been inevitable.

In fighting a global war, a large part of the food that goes to the armed forces and allies—even to civilians—must undergo processing. It must be canned, frozen, dried, dehydrated, or cured so as to hold up under difficult conditions of transportation and storage.

Before this country got into the war, government food programs were largely concerned with such matters as moving surpluses of raw agricultural products into consumption, production control, soil conservation, and the like. The Government recognized, of course, that a food processing industry existed—you fellows advertise and government people, like others, use canned foods in the home. But, by and large, the Government went its way and you went yours.

The war changed that. The Government became your largest single customer. The Government asked you to turn out food in a volume that would have seemed fantastic only a few short years before. The Government asked you to turn out tremendous quantities of food in the face of container shortages; manpower shortages, and other handicaps. In view of the great need for processed foods, your problems became the Government's problems.

To obtain a fuller understanding of industry problems, the Government asked industry men to come to Washington. There could be no other course in view of the historical background. Industry had to teach; the Government had to learn. The Government had much to learn.

Some industry men were in a position to leave their own businesses and to give their entire time to problems arising out of the emergency. It soon became apparent, however, that the problems were too numerous and varied to be handled by industrialists who might accept full-time appointments. The Government had to recruit men also who could devote part of their time to the solution of problems as they arose.

Realising that the large number of men required could not be away from their businesses constantly—it was decided that industry advisory committees be set up on a plan that would permit the members to come to Washington at regular intervals or on special occasions.

So that each problem could be handled in an orderly manner, the Industry Advisory Committees were selected to give full representation to each industry both geographically and according

to sizes, bringing into each group the various elements that play an active part.

It was also thought advisable to formalize these committees and their operations so that there would be no danger of anti-trust litigation such as embarrassed a great many firms and individuals at the close of World War I. Although some formality is necessary, every effort is made to keep the committees as informal as possible.

These committees have demonstrated clearly the really splendid way in which industry and government can cooperate.

On the one side, the Government brings its problems to industry—problems recognized through a constant touch with war developments and total demands upon the Nation's food supply. There are times when it is hard to explain all these truly complex problems by letter, directive, or regulation. But they can be explained to a group of intelligent men around the conference table.

On the other side, industry brings to Washington the minds of trained men, men with years of experience, men who have worked in particular fields and on particular problems for a generation or more. Such experience is invaluable in working out the plans for production and distribution that are required by the Government.

I have a deep-seated conviction that the best men to solve any unusual problem in any particular industry are the men who have spent their business lives in that industry. Their counsel is of great value to the Government. When industry and Government get together it forms a combination that is hard to beat.

Industry Advisory Committees were first adopted by the War Production Board. When the WPB Food Branch was transferred to the Department of Agriculture it had organized approximately 60 committees. These committees were continued in the War Food Administration and their number has now increased to approximately 100.

Other government agencies, such as the Office of Price Administration, and the Office of Production of WFA, had formed separate groups for the consideration of similar commodity problems—some members of industry serving on two or more different government advisory groups.

As conferences could not always be scheduled to meet on the same dates, an unnecessarily large amount of travel, time, energy and expense was consumed. Consequently, WFA and OPA decided last summer to make the membership of their respective advisory committees identical.

This arrangement has had some very definite advantages. Members of the committees are fully acquainted with

the problems of various government agencies in which they are interested and can give advice. Not only on production and distribution problems but also on price regulations and other matters of importance.

To operate the committees as joint bodies, it was necessary to establish a central clearing agency and in October the Food Distribution Administration, now the Office of Distribution, established the Industry Operations Branch as the focal point for making contacts with industry on behalf of WFA.

This branch keeps in constant touch with other government officials and before calling an Industry Advisory Committee to Washington it clears the meeting with other branches so that the joint program can take up for discussion those subjects over which the committee has advisory jurisdiction.

The first Industry Advisory Committee in the food field was the Canned Fruit and Vegetable Committee, formed in December, 1942. That was an over-all committee and served its purpose very well.

As the war progressed, however, it was realized that more and greater problems had to be decided by these committees and that the committees would have to go into greater details in assisting and advising the government agencies. Consequently, the committee was broken down into three committees, namely, canned fruit, canned vegetables, non-seasonal. Now we are again appointing more committees and narrowing down the problems to be taken up by a group on a commodity basis. Within 30 days we expect to have the following committee set-up:

1. An over-all Canned Fruit Industry Advisory Committee, with the following commodity committees:

Apple products, Concord grape, Processed citrus fruit, Processed peach industry, Tree fruit (pears, apricots, plums), Berry, Sweet cherry, Sour cherry.

2. An over-all Canned Vegetable Industry Advisory Committee, with the following processed commodity committees:

Corn, Peas, Tomatoes, Snap beans, Lima beans, Greens (spinach, turnip green, collards and other leafy green vegetables), Asparagus, and Kraut Products.

3. Miscellaneous Industry Advisory Committees: Non-Seasonal Canned Food Industry Advisory Committee, Canned Vegetable Baby Food Industry, Pickle Industry Advisory Committee, and Preserve Manufacturers Industry Advisory Committee.

We feel that an industry advisory committee set-up of this type should enable the industry to supply the necessary information to the government agencies to effect a workable program.

Lee Marshall, Director of Food Distribution, has asked me to tell you that

when an industry advisory committee is formed, the Office of Distribution has an obligation to have due regard for the advice of that committee. If, at any time, it is necessary for us to go counter to the recommendations of an industry advisory committee, we feel it our duty to tell the committee why. We are appreciative of the fact that committee members will be sacrificing their time and spending their money in attending committee meetings. If we disregard the recommendations of the committees without good reason or without adequate explanation, we are wasting both the time and money of the committee members.

Still other committees devote their attention to more or less local problems such as marketing procedures and intra-market relationships. Much valuable information has been developed by these groups which are certain to grow in their usefulness to themselves and the Government before the war emergency is over.

Each of the State, regional, and local committees is given virtually official status by the appointment of a government representative, usually from WFA, who acts as chairman. The chairmen act as invited observers and advisers for the Government with the result that the committees are not likely to run afoul of anti-trust regulations.

Through the industry advisory committees the Government has gained a very clear picture of the truly remarkable job the food industry is doing. It seems to me, however, that the food processing industry has received entirely too little recognition by the general public.

A great deal has been said in tribute to the American farmer, for his performance in raising food production to new records year after year in spite of all the handicaps the war has imposed upon him. Farmers are due this recognition for a job well done. The public also is well informed about the magnificent production record of our munitions industries, our plane manufacturers, our ship builders, and all other industries that are turning out materials of war. The munitions industries also deserve the credit they have received.

The food processing industry has kept pace with farm production and with the manufacture of munitions. I need not remind you of all the problems facing you—all the shortages, conversions, adaptations, and other headaches you have experienced. I recognize them and I have been doing what I could to help relieve them. Your accomplishment in view of these handicaps is astonishing.

You have had to convert your plants to new types of containers. You have had to process new types of food. You have had to meet the special and unusual specifications of the armed services. In spite of these and other difficulties, you and the other food manufacturers have increased your an-

nual production of food about 50 per cent since the outbreak of the war.

America should know about this record, too.

We have discussed this matter with some of the people in the food industry and in the advertising field and I believe that we have stimulated some interest among them in presenting to the public the important role of the food processing industry in wartime. I hope that out of these contacts will come substantial recognition in the form of institutional advertising of the fighting qualities of the American food processor. Perhaps this is an idea that some of you might employ in your own promotion programs.

Most of you have heard of the War Food Administration's achievement "A" award to food processing plants, which is a tangible form of recognition for outstanding accomplishment in this field of war production. The "A" award was created last fall, primarily for the purpose of honoring seasonal food processors, who, at that time, were not eligible for the Army-Navy "E". Recently the Army and Navy decided to go back to their original policy of extending the Army-Navy "E" only to those plants furnishing the major part of their total output directly to the armed forces. In accordance with our general understanding with the Army and Navy Departments, WFA had extended the scope of the "A" award to include all food processors—large and small, seasonal and year-round. Therefore, the achievement "A" has become the only form of official governmental recognition of meritorious accomplishment in the field of food processing. Of course, plants which furnish the major part of their production directly to the armed forces may be awarded the Army-Navy "E".

Any processor who is doing an outstandingly good job may be recommended for this award. Of course, it is possible that here and there we may overlook a plant that is eligible. For that reason we hope that you and the other organization of food processors will assist us by calling to our attention any company that deserves recognition.

We look upon the "A" award as being more than a symbol. We consider it a badge of merit indicating a high degree of performance in an essential war activity. We expect it to stimulate pro-

duction, to keep workers on the job, to keep their morale high and their enthusiasm keen. WFA last week named 33 plants to receive the "A" award—more will be named later.

The food that you and your employees are turning out is helping shorten the road to victory. The "A" award is the symbol of the Government's full recognition of that fact. I hope that you will keep your employees constantly aware of the fact that they are workers in a vast assembly line that is building the victory and the peace.

Will the public, in future years, forget the wartime job the food processing industry is performing? I think not. The millions of men and women in the armed forces will bring back memories of days when foods put up by the American processors were their only link with home. Civilians will remember that the ingenuity and skill of food processors kept them going on the best food in the world—American food. Our allies, who have been the recipients of millions of pounds of American processed food, will think kindly of you. Your operations during this emergency constitute a tremendous program of good will.

It is not likely that the Government ever again will leave the food processing industry so far outside the total food distribution picture. The war has demonstrated how much dependence must be placed upon you in an emergency. The coming of peace will demonstrate what a vital role your industry plays in the total job of moving food from the farm to the consumer.

I, for one, will be disappointed if the Industry Advisory Committees are broken up when the war is over. The Government needs those committees; you need those committees. Many serious problems have been brought into sharp focus by the war—they must be solved eventually. The coming of the peace will bring up a whole host of new problems; they must be solved eventually.

The food industry and the Government can work together. We know that. The end of the war should not be the end of a cooperation that has paid very rich dividends in the way of getting a job done. Let's keep on working together.

Scope of Activities of Office of Food Distribution

By C. W. Kitchen, Deputy Director,
Office of Distribution, WFA

For over two years the Government and the fruit and vegetable processing industry have worked together on an important part of the war food program. And through these combined efforts in these two years, a high degree of success has been obtained. Most canners and other food processors have produced to the maximum of their

ability under trying circumstances and the products they produced have contributed immensely to the war effort. But these two years also have produced some mistakes and casualties. That was inevitable.

The Office of Distribution of the War Food Administration expect to profit by their experiences with this and other industries in helping you obtain the production needed for 1944. Although it will not be possible to devise

programs which will be wholly satisfactory to all processors, the thinking and planning for 1944 have been directed to secure all-out production. To secure maximum quantities of canned, frozen, and dehydrated fruits and vegetables we must have your cooperation and the benefit of your counsel.

A few food producers have commented that they think peace is near and that the time is here to retrench in food production. That would be taking a desperate chance. No one knows when this war will end, or the conditions we will face when the fighting stops. You have just heard General Hardigg discuss the requirements of the military forces and the reason for their increased needs.

On behalf of the Office of Distribution, which has the responsibility of compiling the information upon which the supply of food is allocated for use by the armed forces, government agencies, U. S. civilians, and for export, I want to add a little to what General Hardigg has said about military needs.

Food Distribution Order 22.6 was signed February 11. Canners will be required to set aside from their 1944 production about 70 per cent of their 1942-43 average annual production of canned fruits. About 50 per cent of the average annual production of canned vegetables in 1942 and 1943 will be needed by the Government to supply the Army, Navy, Marine Corps, and other war agencies, with a share for the British armed forces fighting in Burma, Italy, and elsewhere.

The set-aside percentages under FDO 22.6 will be based upon each canner's average pack of the 1942 and 1943 calendar years, taken together. This base pack has been adopted to minimize inequities resulting from crop failure or a short crop in a single season. Going into somewhat more detail, canners will be required to set aside from their 1944 production a total specific and contingency quota of 75 per cent of the base pack of canned apples, 70 per cent of peaches, 70 per cent of fruit cocktail, 70 per cent of pears, 56 per cent of lima beans, 31 per cent of corn, 41 per cent of peas, 54 per cent of tomatoes, and 64 per cent of tomato juice. Similar high reservations will be required for other commodities. These are high figures—higher than some of us expected—and they indicate the seriousness of the production problem before us.

These needs become particularly significant when we recall that the base pack is derived from two years of record production—1942, the largest canned fruit and vegetable year in history, and 1943, which was above the average of most recent seasons. Military and other war agency requirements, as they are now known, from the 1944 pack of fruits, total about 36,000,000 cases. This is greater than the total annual production of fruits a few years ago. Government requirements for

canned vegetables are about 92,000,000 cases.

Assuming that the total 1944 pack of canned fruits and canned vegetables covered by the order is equal to the average of the packs in 1942 and 1943, this will leave available for distribution to civilians substantially smaller quantities than have been available in any recent years. Of the 12 fruit items, including pineapple juice, covered by FDO 22.6, it is estimated that the 1944-45 supply for civilians will total about 17 million cases (24 No. 2½'s) which may be compared with consumption by civilians of approximately 54 million cases during the 1941-42 season and a supply of approximately 30 million cases during the 1943-44 season. The supply in the coming year, therefore, would be about one-third that during the peak year of 1941-42 and slightly more than half of the available supply during the current season.

It is estimated that the 1944-45 civilian supply of 14 vegetable items, including tomato juice, covered by FDO 22.6, will total approximately 104 million cases (24 No. 2's), assuming a total pack in 1944 equal to the average for 1942 and 1943. A supply of 104 million cases for distribution to civilians may be compared with consumption of approximately 143 million cases during the peak season of 1941-42 and with a supply of approximately 128 million cases for civilians during the 1943-44 season. The projected supply for civilian distribution in the coming season, therefore, will be nearly 40 million cases less than the quantity consumed in 1941-42 and nearly 25 million cases less than the supply available during the current season. An increase in the 1944 pack above the average for the past two seasons would mean a larger quantity of these canned goods available for civilian use. Likewise, if the pack falls below the average, civilian supplies will be further reduced. The figures on expected civilian supplies not only show the need for production, but indicate that the job of distributing the limited supply equitably over the country will be no easy one for your industry.

We need to send more canned fruits and vegetables to our allies this year than we did last. They will need 2,702,000 cases of canned fruits and 6,710,000 cases of canned vegetables to help them meet their requirements this year.

Dehydrated vegetables have played a particularly important part for military and Lend-lease use overseas. While total governmental requirements of dehydrated vegetables for the 1944-45 season have not been determined at this time, it appears from the information available that the over-all needs will be at least as much and probably greater than the requirements during the present season.

However, there is to be emphasized that there will be some marked changes in the kind of dehydrated vegetables required by government procurement

agencies. Again, white potatoes will assume primary importance. Onions and cabbage will be required in greater quantities than last year. It is expected that only a small quantity of beets and rutabagas will be required for Lend-lease. No Lend-lease requirements have been developed for sweet potatoes, therefore the Quartermaster Corps remains the only government agency which is expected to purchase this commodity. The need for carrots will definitely be below the requirements for the current season. Heavy carry-over of stocks of this commodity will depress government demands sharply. There is likely to be very little change in the requirements for the minor vegetable items.

While it is not possible now to determine the exact needs for these commodities due to ever-changing conditions, steps must be taken immediately to assure the production of raw material from which to produce the required dehydrated vegetables. Therefore, in order that the dehydrators may have the opportunity to contract for raw material, the WFA is prepared to negotiate contracts for those commodities which will be needed to fulfill Lend-lease firm requirements. One of the important factors which will be considered in writing War Food Administration contracts for the coming season will be cost of production performance of the individual dehydrators during the current season. First consideration will be given to dehydrators who have produced satisfactory products at prices which have been within competitive price ranges.

WFA is attempting to move all supplies of dehydrated vegetables into the hands of claimant agencies as rapidly as possible in order that there may be no accumulation of storage stocks. Dehydrated carrots are the only dehydrated vegetables of which there are now surplus stocks in government warehouses. The acceptance of dehydrated carrots among all agencies has been disappointing and the movement has not reached expectations. Every attempt is being made to move these stocks but until they are disposed of no additional contracts will be made to purchase this commodity.

Since dehydrated vegetables are virtually without a civilian market at the present time, it has been particularly difficult to gage production to actual government needs. A number of dehydrated vegetables, including dehydrated potatoes, carrots and sweet potatoes, have been released from government reservations during the past year. These products are now available for civilian distribution and we urge dehydrators to explore the possibilities for distribution of these products in domestic channels. Dehydrators have a splendid opportunity to test their products on the civilian market during a period of short supply.

Frozen vegetable requirements next year will be greater. The armed forces

will require at least 50 million pounds. The civilian demand will be more than 250 million pounds. More frozen fruits also will be needed. The demand next year, just as last, probably will exceed the supply.

While total requirements for dried fruits will not be much higher next year than last, they will still be much greater than normal. Civilian requirements for dried fruits next year will be 330,000 tons as compared with 326,000 tons last year. The armed forces and our allies will require 304,000 tons of dried fruits, about 3,000 tons less than were required last year.

To maintain only minimum quantities of processed fruits and vegetables for civilians it will be necessary for the fruit and vegetable processing industry to exert maximum effort this year, and you are rightfully interested in steps which the Office of Distribution will take to assist in this effort.

During the short crop season of 1943 fruit processors, particularly, found it difficult to secure adequate supplies of raw material because of competition with fresh market outlets. Because of apparent short supplies of processed foods for civilians it will be necessary to maintain substantial supplies of fresh fruits and vegetables for war workers and civilians generally. However, the fresh fruit and vegetable industry and the Government alike recognize the necessity for meeting the processed food requirements so far as possible. To this end the Office of Distribution, in cooperation with the Office of Price Administration, is now working on ceiling prices for the major fresh fruits and vegetables. Ceiling prices already are in effect covering 10 vegetables, and it is expected other fresh commodities will be brought under price ceilings as rapidly as possible. Price ceilings may have to be supplemented with restrictions on shipments of certain fresh fruits so that minimum requirements of processors can be met. Such restrictions, if any, of course cannot be determined until later.

War Production Board Order M-81, controlling the use of metal containers, is administered by WFA. The over-all container situation is still tight. Some increases in the allocation for both tin and glass have been permitted, but generally the limitations placed on the use of these vital materials are likely to continue throughout the war and we need to plan accordingly. It has been possible to ease somewhat the restrictions of this order as a contribution to larger production. Restrictions on cans for apricots, freestone peaches, mixed vegetables, peas and carrots, and seasonal soups have been removed, and increased quotas have been established for spinach, carrots, beets, fresh Italian prunes, and some other commodities.

WFA desires, during 1944, to use the metal containers available to the best possible advantage in securing necessary production, in minimizing manpower requirements, and in preventing

waste of food products. Metal for containers is not yet plentiful, and we ask your cooperation in conserving this material. With the extremely heavy government demands for canned fruits, steps are now being taken to make cans available for the production of orange juice and blended orange and grapefruit juice on an unlimited basis. We have enough tin and glass now to pack all the food needed to meet essential requirements, but there is little likelihood of adding additional items to the present list of food items which are given container quotas. If new items are added, then a downward revision may be necessary in the present tin and glass allocations. Most processors would not want such a revision.

We cannot expect food processors to maintain high production in 1944 without adequate provision for the replacement of worn-out equipment and for the necessary extension of warehouses and cold storage facilities to handle an immense pack. To this end reasonable quantities of materials have been set aside to meet urgent industry needs. Because of material shortages it will not be possible to approve the construction of a large number of wholly new facilities, but every effort will be made to make available vitally needed equipment replacements necessary to the production program.

The Congress has not yet reached a decision with respect to subsidies. The processed fruit and vegetable program has been designed, however, to permit the inclusion of subsidy programs if subsidies are to be used. Many features of the canned vegetable purchase and sales program for the past year proved to be difficult administratively and unsatisfactory to the industry. Should a subsidy program for canned foods be used in 1944, we anticipate that payments would be based on the finished product. We appreciate the industry's general objection to a subsidy paid to the canner, but a payment on the finished product can be recognized as a plan to reimburse the canner for increased costs of production which he must pay. A plan of this kind has been followed with the dried fruit packers and they report that the scheme has eliminated the need for hardship appeals and has resulted in prompt payment of claims. The details of any subsidy program, of course, would have to be shaped to meet whatever legislative requirements may exist.

If a canned fruit and vegetable subsidy program is used, we should like to have your industry advisory committee advise and assist in the formulation of the necessary contracts. The present canned vegetable purchase and sale program has been extended to March 1, 1944, for the benefit of southern canners who have packed tomatoes and snap beans after January 1.

We have noted some hesitancy on the part of fruit and vegetable canners to undertake an all-out production program in 1944, fearing that the possible

uncertainties following a sudden ending of the war might involve them in ruinous inventory losses. This is a reasonable concern and is so recognized in WFA. To minimize this risk, WFA plans to purchase all offerings from certified processors of the major canned fruits and vegetables and dried fruits packed in 1944 at 90 per cent of processors net civilian ceilings as established by OPA. This will be equivalent to 86 1/4 per cent of the gross ceilings. This offer would extend to packed processed dried apples, apricots, pears, peaches, prunes, and raisins; canned peaches, pears and fruit cocktail; and snap beans, sweet corn, green peas, beets, tomatoes, tomato juice, tomato pulp, tomato paste, carrots, lima beans, and spinach. The support program will be extended only to certified processors. This program will therefore assure fair returns to both grower and processor and should be of great help in securing the increased acreage needed during 1944.

With respect to commodities which may be flat priced by grade, the offer will apply without adjustment. Appropriate adjustments to area averages and for grade differentials applicable to formula priced items would be announced by the Office of Distribution as OPA ceilings are issued. Special styles and fancy packs would be purchased at the price levels of ordinary commercial packs.

The offer to support the price of these processed foods will extend throughout a normal marketing season for each product. Packers may be required to store these commodities at their expense until 30 days after the expiration date of the offer in the event the Office of Distribution does not have immediate use for the products. The offer to purchase, as a price supporting measure, the major processed fruit and vegetable commodities, will apply both to civilian production and to quantities set aside for delivery to government agencies.

While no support prices will be designated for vegetables grown for fresh market consumption, WFA will continue to extend every possible assistance to fresh vegetable growers. The government will continue to encourage the orderly marketing of fresh vegetables through normal trade channels; assist growers in diverting surplus fresh vegetables into processing channels; and make purchases for government distribution when necessary to move surplus commodities to prevent the waste of food. The extent of any assistance which may be given in supporting prices under such a plan, however, is subject to Congressional action and the funds provided by Congress for carrying it out. What I have just said applies to the processed products named. Support prices to growers are being discussed elsewhere at this meeting.

Some processors have requested information as to the size and future dis-

position of government-owned foods. While the Office of Distribution is not in a position to discuss over-all government holdings, we can say that the policy of government agencies is to buy food only when a definite requirement for this food is known to the agency. There have been some adjustments in government holdings during the past year due to changing requirements brought on by the war, but little change is expected this year.

Last year about 2½ million cases were re-sold from government stocks for civilian use, but out of 761,080 cases of canned fruit and fruit juices and 7,331,062 cases of canned vegetables now owned by the Office of Distribution we can say that all of these stocks have been earmarked for some war need and it is not expected that any of them will be offered for sale in civilian channels.

Processors frequently inquire as to what policy WFA will follow in disposing of any stocks of surplus processed fruits and vegetables it may have to acquire. In a program which comprehends the purchase and distribution of over 100,000,000 cases of canned fruits and vegetables and large quantities of dried fruits and dehydrated products, it is not possible for the government buying agencies exactly to balance purchases and requirements. Shifting military operations often affect requirements after procurement has been completed, occasionally leaving balances of unneeded stocks in government hands.

With a real civilian need for these products, it has been the policy to make them available for civilian use when-

ever it can be done without seriously disturbing the marketing of supplies in the hands of the industry. During the past two years the government has found it necessary to return to civilian channels about 900,000 cases of canned tomatoes, 200,000 cases of canned prunes, 1½ million cases of canned grapefruit juice, and small quantities of canned apples and citrus concentrates. Should it develop that purchases from the 1944 pack exceed requirements, we plan to continue the same policy. Such stocks would be offered first to the processor from whom they were bought originally. If he did not want them, they would be offered to processors of the same or a like commodity. If such processors did not want them, they would be offered to the distributing trade generally. This is the practice we have been following and expect to follow for the 1944 pack. We are not in a position now to comment in a way that would be of any value to you on what policies and procedures may be worked out for handling post-war inventories.

With the information that has been given you this morning, I believe you will agree that now is not the time to consider curtailing production. This is a year to strive for full production. This war is not over. Regardless of the difficulties we have encountered thus far and the uncertainties that lie ahead, we must not relax now. We in WFA are sure we can count on your full cooperation to that end, and, on our part, we shall use every means available to us to assist you.

Food Processing in Wartime

By John E. Dodds, Chief, Processed Marketing Division, Fruit and Vegetable Branch, WFA

We come before the fruit and vegetable processing industry with a sincere sense of appreciation of its effort to help win the war. Your production in 1943 stands as a splendid record in this respect. This has been accomplished in the face of adverse weather conditions and some actual crop failures. According to early estimates, the food processing industry in 1943 produced nearly 35,000,000 cases of canned peas as compared with 36,000,000 cases in 1942. This industry produced nearly 11,000,000 cases of canned cling peaches in 1943—only about 2,000,000 cases less than the 13,000,000 cases produced in 1942. Best estimates indicate that the dried fruit industry turned out a record production of 341,000 tons of packed raisins as compared with 231,000 tons in 1942. The infant dehydration industry will have produced, by June 30, nearly 170 million pounds—almost enough to meet the immense war requirements. This dehydration production has been accomplished through large patriotic private investment, and risk, in a war production program.

The preserve industry has supplied the armed forces and civilians with adequate quantities of bread spreads, although it has been necessary to turn to less desirable fruits to secure this production. It is estimated that preservers produced about 625,000,000 pounds of these spreads in 1943—a tremendous increase over the normal production of about 450,000,000 pounds. The frozen foods industry in 1943 produced an estimated 450 million pounds of frozen fruits and vegetables as compared with 402 million pounds in 1942. Frozen vegetables have filled an important need in the military supply program, and the large production of frozen fruits and vegetables have been a welcome addition to civilian supply in a period of shortage of canned products.

Government requirements from the 1944 pack will necessitate an immensely expanded production if war workers and other civilians are to receive a reasonable supply of processed foods.

The set-aside order, FDO 22.6, has just been issued and has not yet received wide circulation in the press. In order that you may have this in-

formation at this time, the following is a complete list of canned fruit and vegetable reservation percentages applied to each canner's average pack of 1942 and 1943. The reservation percentages given are the total specific and contingency reserves. In each instance the contingency reserve is about 10 per cent of the set-aside quantity.

	Specific reserve	Contingency reserve	Total reserve
Apples.....	68	7	75
Applesauce.....	47	5	52
Apricots.....	63	7	70
Blackberries.....	68	7	75
Blueberries.....	65	7	75
Red sour pitted cherries	69	7	75
Figs.....	42	4	46
Fruit cocktail.....	63	7	70
Peaches.....	63	7	70
Pear.....	63	7	70
Pineapple.....	63	7	70
Pineapple juice.....	65	7	72
Asparagus.....	48	5	53
Lima beans.....	51	5	56
Snap beans.....	49	5	54
Beets.....	53	5	58
Carrots.....	143	7	150
Corn.....	28	3	31
Pars.....	37	4	41
Pumpkin.....	37	4	41
Spinach.....	44	4	48
Tomatoes.....	40	5	55
Tomato catsup.....	51	5	56
Tomato juice.....	58	5	64
Tomato puree.....	25	3	28
Tomato paste.....	23	3	26

In addition to requirements covered in the set-aside order, the Government will need about 4,000,000 cases of sauerkraut.

You will be advised later with respect to grower support prices for vegetables for processing. Designated grower prices for fruit will be maintained substantially at levels of 1943, with possible minor adjustments to secure equity between varieties and areas of production. Every effort will be made to announce exact prices well in advance of the processing season to permit adequate planning on your part. It is the intention of WFA to announce grower prices for berries by March 1.

Frozen and sulphured berries are particularly important to the processing industry in the production of fruit spreads for military use. The Office of Distribution has been asked to obtain large quantities of sulphured berries for use as a fruit base in the overseas production of spreads. Because of administrative difficulties, no diversion order is now contemplated in order to obtain these supplies. However, the Office of Distribution, in cooperation with OPA, will plan to maintain reasonably comparable price structures to permit freezers to get a fair supply of berries for processing.

To obtain necessary utilization of frozen berries, it may become necessary, through an appropriate order, to ask freezers to pack a proportion of their production in bulk containers to be set

aside for preserve manufacture and other essential uses.

Food Distribution Order 60, governing the use of fruits for alcoholic purposes, or an adaptation of it, will be continued in 1944 to channelize fruit suitable for food purposes to these uses and to prevent the use of sound fruit in nonfood channels.

Other diversion orders may become necessary during the 1944 season in order that adequate fruits and vegetables for processing will be available. However, it is the intention of the Office of Distribution to avoid, wherever possible, the issuance of arbitrary orders under the War Powers Act. We are particularly reluctant to issue orders placing mandatory responsibilities upon large numbers of growers; consequently, we will avoid orders of this nature, wherever possible. Furthermore, we will promptly withdraw and cancel orders which no longer serve a necessary purpose.

We are convinced that many of the apparent violations of food orders in 1943 occurred through a lack of understanding on the part of persons governed by these regulations. In 1944 the Office of Distribution plans to extend its order information activities to inform growers and industry representatives of the intent and purposes of distribution orders prior to or at the time of their issuance. This may bring about a better understanding between Government and industry and result in more effective order administration.

FDO 16, governing the set-aside of dried fruits, will doubtless be continued in 1944 as it now is, or in modified form, depending upon the extent of government requirements. We are pleased to advise the dried fruit packers that their holdings of dried peaches at the present time exceed government requirements by 3,200 tons and that this quantity has been released for immediate distribution. We anticipate that approximately 4,000 tons of dried apples will also be released immediately for civilian use. These releases are made in line with the Office of Distribution policy to avoid holding food products in packers' hands after war needs are fulfilled. Since some dried fruit packers have undelivered dried peaches and apples in their warehouses which are allocated to government agencies, the releases are made subject to the condition that each packer shall retain adequate quantities of fruit, meeting the requirements of Federal specifications, to fulfill government commitments.

Some growers have expressed a fear that processors will not be in position to handle their entire production of fruits and vegetables in the 1944 season. This concern seems particularly prevalent among fruit growers whose crops are highly perishable and who are dependent upon processors for a large part of their output. In requesting the Government to provide fresh market ceilings and diversion devices to divert fruits and vegetables into pro-

cessing, the food processing industry assumes a measure of responsibility for the growers' production. For that reason, the Office of Distribution, in cooperation with food processors, expects to be prepared with plans to divert surplus fruits and vegetables to other outlets or alternative types of processing.

During the past year fresh market producers have encountered several acute local surpluses. About 15,000 tons of carrots produced in southern California were diverted for dehydration to prevent food spoilage. About 15,000 tons of California pears were utilized by Pacific Northwest canners under a program to minimize the loss of pears in California. Quantities of Northwest cabbage and Pennsylvania spinach also were diverted for processed use. Situations of this nature will develop again in 1944 and we look forward to the best effort of the processors in handling these situations. On our part we will do our best to develop diversion programs to meet these conditions.

The Office of Distribution is occasionally called upon to furnish our allies with commodities of an unusual nature or products which are not permitted for domestic distribution. We have substantial Lend-lease requirements for canned Irish potatoes. Insofar as possible, we desire to have these commodities produced in off-season periods to assist food processors in retaining key personnel and maintaining continuity of operation.

Mr. Kitchen has told you of the offer of the Office of Distribution to purchase major processed fruits and vegetables at 90 per cent of ceiling price. A little further detail concerning this offer may be of interest to you. In cases of commodities which are formula-priced by the Office of Price Administration, the Office of Distribution will base its offer to purchase on area averages of formula prices. For concerns whose individual price is below the area average, the offer will probably apply to the individual ceiling price. Such commodities as No. 1-size lima beans, shoe-string snap beans, asparagus-style snap beans, very small whole beets, No. 1 sieve peas, and other high-priced or special packs will probably not be supported at the full 90 per cent of ceiling price, but will be supported at 90 per cent of the price of common commercial size or styles of the same grade. The 90 per cent of ceiling support will cover the processor's entire pack, including both that portion of the pack available to civilians and the portion set aside for government agencies. Prices will be increased for export containers if these are needed by the Office of Distribution.

In extending this offer over the entire production, the program will substitute for the request of many canners for firm contracts covering Government set-aside foods.

In determining the commodities to be covered by the processor's support

program, the Office of Distribution considered both the size of packs and their importance with respect to over-all supplies, as well as the importance of the products to war agencies. Additional commodities may be added to the support program as conditions warrant. In basing the offer to purchase on the civilian ceiling, rather than on the Government ceiling, it is contemplated that any subsidies which may be permitted will have been paid by the time the processor offers material under the support program.

During the 1943 season we had some complaints from canners that payments for Lend-lease purchases were slow and that shipping instructions were not promptly issued. Lend-lease procurement for the 1944 season will again be handled through the Quartermaster Corps staff, but steps will be taken to expedite the transfer of contracts to the Office of Distribution so that payment can be made within a reasonable period of time. Contracts with canners call for a period of storage, and it is not always possible to justify the movement of Lend-lease supplies to public warehouses prior to the expiration of the contract storage period. These products will be moved from processors' warehouses as rapidly as possible, however, and special consideration will be given to early shipment of processor holdings which are delaying production schedules.

You may be interested in a report concerning the handling of the canned vegetable purchase and sale program during the past year. On February 1 we had handled and authorized payment of 1,916 preliminary claims at an expenditure of \$17,851.00. About 125 claims are being held for further information from processors. Applications for final settlement of subsidy claims are now in your hands, and we have received about 100 of these claims. The expenditure in final settlements may be relatively small since most processors have received substantial preliminary settlements.

The payment of transportation costs from vineys or major assembly points to plants under the 1943 subsidy program is in the nature of unfinished business. The Commodity Credit Corporation has agreed to increase its purchase prices for snap beans, tomatoes, and green peas in order to reimburse processors for the cost of transporting these vegetables from approved assembly points to their plants. These increases in purchase prices will be applicable only to certified processors who have accepted the Purchase and Sale Offer, and to the tonnages of the vegetables packed for civilian consumption. No provision has been made for increasing the price of sweet corn as it is not customarily handled through assembly points. The payment for transportation of snap beans, tomatoes, and green peas will be subject to the conditions that approved assembly points will include only pen vineys and market places, receiving stations, or assembly points

to which a substantial number of growers customarily deliver the vegetable. No allowance will be made for the cost of transportation from one to another of the processor's plants, from points of roadside pick-up to the processor's plant or assembly point, or in the case of green peas, from the field to the viner.

Any increase in the purchase price of a vegetable to cover transportation will be based on the *smallest* of the following allowances for the cost of transporting the vegetable from approved assembly points to the processor's plants:

1. The actual cost per ton paid by the processor for transportation.
2. The cost per ton of transporting vegetables hauled in the processor's own trucks as certified by the processor.

Allowances for transportation will not be made in excess of a mileage schedule which will be a part of the announcement. The maximum transportation allowance will be \$8 per ton for tomatoes, \$5 per ton for green peas, and \$10 per ton for snap beans. An offer to make these payments will be in the hands of processors within the next few days.

This vast processing industry—canners, freezers, preservers, dehydrators, and others—achieved a splendid record in 1943. The year-round production of this industry precludes the possibility of announcing all details of a program on any one date. But it is the sincere intention of the Office of Distribution to go forward with you, in close co-operation, to a banner year of processed food production in 1944.

Raw Product Prices, Goals, and Certification Program for Fruit and Vegetable Processing

By Phillip F. Aylesworth, Office of Production, WFA

You have been given information on government requirements. You see that the need is great for non-civilian uses. You also know some of the results of increased civilian demand for certain commodities.

In developing production programs for processed fruits and vegetables, we started at the point of requirements. The method by which production goals were determined was an interesting process. I think you might like to hear about it. Food requirements were first determined for U. S. civilians, the military service, Lend-lease, friendly nations, and the liberated peoples. The information on productive capacity of the agricultural plant taken from the annual farm production capacity study made by the Bureau of Agricultural Economics, State colleges, and other agencies of the U. S. Department of Agriculture was then used along with these requirements in developing a production pattern. The supply of farm facilities was carefully considered. A determination was made of the amount and kind of new machinery which would be available in 1944, as well as machinery repair parts, commercial fertilizers, truck and repair parts to maintain farm transportation. The outlook for farm labor and for commodity returns was studied. Information on processing facilities available, supply of tin and other factors affecting production from processing plants was furnished from the work being carried on by the Office of Distribution.

All of these reports were carefully weighed and committees of commodity specialists of USDA prepared suggested State and national production goals. Each of the States then called a "goals meeting" where these factual reports were presented by representatives of USDA to farmers and State and local agriculture officials. State goals were

then determined and in some instances divided into county, community, and individual farm goals.

This information on what acreage growers estimate they can undertake is of course only the first step in a fruit and vegetable processing program. It is necessary to develop a program with processors recognizing processing capacity and location of processing crops, and see that it is possible and profitable to meet the program developed.

Goals were established for fruit and for both fresh and processing vegetables from the commercial truck crop acreage. Requirements for processing vegetables from the commercial truck crop acreage to meet civilian and non-civilian needs call for a production of nearly seven million tons. Compare this with the production of slightly less than five million tons this past year and the $3\frac{1}{2}$ million tons for the 10-year period 1932-41, and you see that it represents a very heavy demand. At average yields $2\frac{1}{2}$ million acres would be required, which would be an increase of 40 per cent over 1942 acreage and 20 per cent over the 1943 acreage if all the increase were obtained from the commercial truck crop acreage. Increased production from market gardens and from farm and non-farm gardens would reduce the amount needed from the commercial acreage. The production capacity studies indicated that increases must be considerably below this figure. The sum of the goals for processing vegetables established by States is 2,204,000 acres or 106 per cent of the 1943 acreage.

The substitutability of the different processing crops lessens the need for setting goals on individual processing crops. Individual goals were suggested on only the four major processing crops. Shifts in requirements and in civilian demand since the suggested goals were discussed in State meetings indicate the following breakdown of goals for the four major processing crops would

be desirable: Tomatoes and snap beans, maintain the same as 1943; sweet corn, 4 per cent increase; green peas, 11 per cent increase over 1943.

In fruit production the emphasis in goals is in terms of getting proper utilization. Attainment of the goals will require drying 2.2 million tons, canning 2.1 million tons and other processing of 1.8 million tons. This is slightly below the aggregate processed during the past two years but 30 per cent over the volume processed for the 5-year period 1937 to 1941. Prices of fresh and processed fruits are related more closely than vegetable prices for fresh and processed because in many cases the outlet is interchangeable. Therefore, goals for fruit for processing is largely a matter of insuring supplies for the different outlets. Mr. Dodd has given you information on our time schedule for a processing program for fruit.

You are primarily interested in prices for processing vegetables at this time. The price support program for processing vegetables is subject to action of Congress as stated in the January 26 amendment on support prices by USDA. In developing these prices, the following factors were considered:

1. The general level and relationship of prices between areas. This means analyzing these prices in terms of long range price period averages and in terms of cost of production. Essentially it means securing evidence as to the prices needed to get the desired production.

2. Under ceiling price conditions it is also necessary to consider:

a. The point of application of the support price,

b. The breakdown of prices by grade, variety, etc.

c. The price and factors affecting the sale of the finished product.

There are a few changes in support prices for processing vegetables for this year. Following are the average prices for the United States:

Green pea prices will average \$33.50 per ton. About \$1 of this increase is accounted for by inclusion of the money value of services rendered by the canner. In addition to the price paid in order to arrive at the gross return to the grower. The adjustment to arrive at a gross return figure was made in the prices for Indiana, Kansas, Missouri, Oklahoma, Montana, Idaho, Utah, Arkansas and Texas. The other \$1 is to help offset the increased cost of pea seed and other costs. This increase is applied to all States.

Tomato prices will average \$25.25, or an average of \$1 per ton above 1943 prices. This adjustment is believed necessary to maintain the production of tomatoes. The principal adjustment is in the area of the country which had a \$22 support price. This price now becomes \$24 per ton. There is no increase in California or in the \$27 area of Vir-

ginia, West Virginia, western Maryland and southern Pennsylvania. The balance of the country has a \$1 increase over 1943 prices.

There is no change in the snap bean prices except to make the Arkansas area the same as the surrounding territory, and to extend the pole bean price to other western States. Minor changes in grade breakdowns are made. The U. S. average price for 1944 is \$91 per ton, the same as for 1943.

There is no change in the sweet corn prices from the 1943 average price of \$18 per ton.

The grade breakdown prices, with differentials for degree of maturity, for lima beans are still under consideration. It is calculated that the U. S. average price will be around \$5 higher than last year.

There is no change in the beet prices, which averaged \$20 last year. The carrot price is reduced from \$22 to \$20 for Washington, Oregon, and California to correspond to the adjoining areas, with no change elsewhere.

The price of cabbage for sauerkraut is to remain at \$12, the same as 1943. No change in spinach prices from last year is contemplated, unless adjustments are needed between areas.

These prices represent the following percentages of the five year average, 1936-40, and of 1942:

	1936-40	1942
Green peas.....	166	131
Tomatoes.....	203	130
Snap beans.....	205	121
Sweet corn.....	184	133
Lima beans.....	156	127
Beets.....	170	136
Cabbage.....	146	152
Carrots].....		
Spinach].....		
	(no data available)	

Prices to growers will be supported by the War Food Administration through price supporting contracts, by canners who are certified by the State Agricultural Adjustment Administration, as agreeing to contract with producers for at least the specific levels for the raw products and by acceptance of all offers of such processors to sell specified products to the administration. Growers support prices will be broken down by variety and grades wherever possible. This is necessary in order that proper recognition of the prices paid for the raw material may be reflected in the ceiling price of the finished product.

Not all of the details of the price support and certification programs have been developed. This program can be completed when decisions are made on (1) Whether raw material prices will be reflected in ceiling or whether a payment will be made for a certain portion not reflected in ceiling prices. (2) Continuance of the Purchase and Resale Program; and (3) Whether OPA ceilings will be on a flat price basis or on a formula or some other differential pricing basis.

Following are some of the major points of the certification program:

1. Support prices will apply only to production of acreage contracted with certified processors.

2. Grade and variety prices will be comparable to common practices and uniform insofar as uniform conditions of growing and packing exist.

3. Support prices will apply to the vegetables delivered to the processors' plants or assembly point or roadside in California, whichever has been customarily used by a processor or by growers.

4. No support prices will apply to the production of uncontracted acreage.

5. The program will apply only to certified processors.

6. It will be necessary to provide for the transportation cost from assembly points to the plant to arrive at the cost of the raw material to the canner. An item for transportation which will represent the average cost for getting the raw material from roadside, viney or assembly point to the plant could be calculated by the OPA along with the determination of manufacturing costs and established on an area basis for items flat priced. Under a formula system of pricing, it is presumed that the historical base price would permit the processor to continue operations on the same basis as in the past. Of course, it conceivably would not permit him to extend into more distant areas.

7. The grower to take advantage of support prices must contract with a certified processor. No provision is made for obtaining support prices in any other manner and no obligation is made to support prices for uncontracted products at any level even though processors will be encouraged to use all vegetables grown insofar as processing capacity and other factors permit.

8. Processors will be encouraged to obtain contracts with growers and complete other requirements as a basis for certification. Tangible evidence of either adequate tonnage contracted to operate the plant at substantially its capacity or evidence of having offered an acceptable written contract to individual growers must be presented to State AAA Committees.

9. Processors will be certified who contract with growers at support prices based on either the field run or grade breakdown basis.

10. Uncontracted tonnage will not be supported and the maximum designated price for calculating ceilings will be lower by at least the amount of difference between f.o.b. plant prices and f.o.b. customary delivery point.

11. A fresh market salvage program is being considered for defined areas based upon the conditions of open market purchase but with a transportation allowance.

12. Any purchase and resale program which may be in operation would apply only to certified processors.

Text of Address by Col. Francis V. Keesling, Jr.

Chief of Liaison and Legislative Officer, Selective Service System

During this part of your meeting, you are interested in one thing: How to have sufficient manpower to take care of this year's pack.

Fay Hunter will talk to you about the procurement of men and women to handle your seasonal requirements and to fill not only existing vacancies but any future vacancies that may occur from many different causes, one of which, of course, is Selective Service inductions and withdrawals. Colonel Bruton also will give you some further light on that subject. I shall endeavor to tell you of the procedure affecting irreplaceable key men insofar as Selective Service is concerned.

Although you individually, your Association and your special manpower committee have been faced with quite rough roads, you have somehow or other managed to overcome the obstacles by your own initiative and ingenuity. It was my pleasure to have been present at the birth of your Manpower Committee in Chicago in 1942 and to have worked with that Committee and with individual members of that Committee on various occasions since then as well as with representatives of the staff of your Association.

I am informed that suggestions made at the Chicago meeting in 1942, that you establish a working relationship between your State Associations and our State headquarters on a basis comparable to that which has existed between your National Association and our National headquarters, have been followed. I understand that favorable results have accrued where satisfactory relationships have been established.

The maintenance of such liaison is one of the important factors in assuring proper classification policies.

Selective Service has been blamed for many things. It has been the convenient whipping boy for situations occasioned by the shortcomings of others. This has been most unfortunate, because proper remedies could not be prescribed so long as the blame was misplaced. However, in the course of the hearings and proceedings with respect to S. 763, the so-called Wheeler-Bailey-Clark bill, we decided the time had come to present the facts. That was done when figures were presented showing total separations of workers from industry with a complete breakdown of the causes thereof. Separations resulting from Selective Service inductions represent a very small fraction thereof.

Since those hearings and proceed-

ings, the atmosphere has been further clarified, and just recently in the course of the hearings on the Austin-Wadsworth bill high officials of the War Department have verified the fact that turnover and separations for reasons other than Selective Service withdrawals have been mainly responsible for the manpower situation when coupled with hoarding, wages, lack of utilization, failure to upgrade, improper housing, transportation and other related matters.

As a further example of this, a recent study made by the Office of Defense Transportation with respect to manpower problems in the field of transportation sets forth the following:

"Despite the inadequacy of existing data concerning railroad manpower shortages, it can be said that the principal manpower problems of the railroads are: (1) excessive turnover, in which the largest element is voluntary quits, not Selective Service withdrawals; (2) excessive hours of work in many branches of service, particularly in train and engine service, both road and yard; and (3) certain shortages in other experienced personnel, which are particularly important to safe and efficient railroad operation. Methods of reducing current turnover rates would undoubtedly constitute the single most effective attack on railroad labor shortages."

I refer to this, because I don't want you to think that Selective Service can cure or can be expected to cure all of your ailments with respect to manpower. Such a conception is entirely wishful thinking, as I have told you before in the course of past meetings. On the other hand, as Selective Service is involved to some extent, we must not ignore the problems which are occasioned by its operations.

Now that we have the situation down to the proper perspective, let's further analyze it. While you are primarily concerned about manpower for food processing and your own individual businesses, we are concerned with the deferment and classification of great numbers of men working for large numbers of businesses. In our last report to Congress submitted January 14, last, we listed 823,000 men in Class II-A and 1,907,000 men in Class II-B, which for the most part were industrial deferments. In addition to those we listed 742,000 men in Class II-C and 880,000 men in Class III-C, which were farm deferments. There were at that time still 3,684,000 men in Class III-A, many of whom upon reclassification from Class III-A, which is proceeding rapidly, will be added to Classes II-A, II-B, and III-C.

It is our job as you know to withdraw as many of the men from those classifications as possible for the armed forces without disrupting essential war production and war supporting activities, including, of course, food processing. In doing this we are laying particular stress upon both fathers and non-

fathers under 22 years of age and are also looking very closely at the non-fathers in those classes. We have expressed ourselves as looking favorably upon liberal occupational deferments for fathers. This latter policy and fact should be of interest to all of you.

Under the tightening condition of the manpower situation, it has become necessary for us to reappraise our deferments in the light of present circumstances. In doing so in addition to analyzing those who are in Classes II-A and II-B, the industrially deferred, we must not overlook the 1,622,000 who are in Class II-C and III-C, particularly those who are in Class II-C without dependents and the non-fathers who are in Class III-C. Of the approximately 1,000,000 non-fathers in Class II-C and III-C deferred by reason of farming as of January 1, 1944, it is estimated that 400,000 of those non-fathers were under 22 years of age.

In our report to Congress submitted on January 14, 1944, we had the following to say on this subject:

"This occupational deferment restriction with respect to men between 18 and 22 could not be applied to Class II-C and Class III-C registrants deferred by reason of engaging in farming, because of the specific wording of the Tydings Amendment, section 5 (k) of the Selective Service Act. However, as already indicated, local boards are closely scrutinizing the cases of registrants deferred by reason of farming inasmuch as the Tydings Amendment gives to the local boards broad authority with respect to them. In this connection, if the local board upon reviewing any such case finds that the registrant is not (1) necessary to, or (2) regularly engaged in an agricultural activity essential to the war effort, or (3) is not irreplaceable in fact, it is charged under the Tydings Amendment with the responsibility of removing the deferment from such registrant, and indications are, as set forth in Exhibit F that local boards are doing just that, although some guidance from National Headquarters may be required."

At the meeting of the Board of Directors of the National Canners Association and of the Secretaries of the State canners associations almost a year ago, I observed that during the four months following the Chicago meeting of 1942 public opinion, like the pendulum, had changed direction, and that food production had come to be considered in an entirely different light by the public. At that time I warned against letting the pendulum swing too far. In my opinion two factors caused this change in public opinion. First and foremost, the public suddenly became aware of the danger of a food shortage; and second, insofar as agricultural activities and occupations were concerned, the Tydings Amendment had considerable effect, not only in securing deferments but also in cutting down the turnover and the

shifting of farm workers from the farms to other jobs.

In order to be sure that the pendulum has not gone too far in this direction and that too many deferments have not been granted to farm workers, local boards must reappraise the situation and comb over these occupational deferments, applying the test of the Tydings Amendment in the light of the present circumstances, namely, whether the farm registrant is in fact necessary to the farm, regularly engaged in farming, and is in fact irreplaceable. This must be done, of course, not only to insure justice being done to activities other than farming, but also so that we can obtain the best material for the armed forces while at the same time cutting down to that extent the number of pre-Pearl Harbor fathers that would otherwise have to be inducted. In addition to those two reasons we must be just and fair so that there be no discrimination among registrants and so that morale of registrants and their families will be maintained at a high level.

However, in appraising our deferment situation, we recognize full well our dual responsibility, which involves not only the procurement of manpower for the armed forces, but also the retention of essential men in industry and agriculture essential to the war effort so long as they are in fact irreplaceable.

However, the pressure is now upon us, and you and others engaged in war production or activities in support of war production must, with the assistance of the War Manpower Commission, War Food Administration, and other agencies of the government, concentrate on the manpower problems which are not caused by Selective Service. Any headway whatsoever in that direction in connection with those problems will materially ease your situation.

Also, although we in Selective Service have stated that deferments should be granted to workers in essential industries until they can in fact be replaced, you, Colonel Bruton, Fay Hunter, and other representatives of industry and government must also concentrate on securing as many replacements as possible, as soon as possible, so that the physically qualified men between 18 and 38 years of age who are now deferred, particularly the non-fathers, can be released to us for service at the earliest possible moment. Once again, this could be done if any progress is made in solving the other manpower problems due to causes other than Selective Service.

From my past relationships and conferences with you and representatives of your industries, I recognize that you are primarily concerned with a relatively small number of key men whom you must have as a nucleus in order to handle the unskilled seasonal workers during the season's peak. It is my definite impression that you have long

since resigned yourselves to seek deferments for only this nucleus of key men and have relied not upon Selective Service but rather upon your own initiative and ingenuity, together with help from the War Manpower Commission and the War Food Administration and other sources in order to obtain the unskilled seasonal workers.

I have been informed of the tremendous difficulties with which you were faced during the last season in your efforts to obtain sufficient numbers of unskilled seasonal workers. Some of the stories I have heard are almost fantastic. I have examined in detail the daily personnel sheets for one of your canneries, which clearly reveals the difficulties that were encountered.

Selective Service, as you know, does not have the responsibility for or jurisdiction over the procurement of agricultural or industrial manpower. That responsibility has been placed elsewhere in other government agencies. In this instance the responsibility has been placed in WMC and WFA represented at this meeting by Fay Hunter and Colonel Bruton.

With respect to the nucleus of key men, if you have a man who is in fact essential to your operations and who cannot be replaced, and if you have no doubt that if he is removed by Selective Service a vacancy will exist which will result in appreciable curtailment of war production, then you should by all means get those facts properly and clearly before the local Selective Service board, and if necessary should follow through completely on your appeal rights, and ultimately, if necessary, bring the matter to the attention of State Headquarters or the district occupational advisors working out of State Headquarters.

It is up to you and to you alone, each and every one of you, to present your facts in each individual case in a practical, common-sense, simple manner in simple common-sense and practical terms to each local board, appeal board, or officer concerned. There is only one right answer, and if you are in fact right, and if your conclusions are in fact correct, then you certainly should be able to convince our Selective Service representatives of that fact. It is up to you. But you must, on the other hand, play the game fairly and squarely. You must not ask for the deferment of any man whom you can replace, and you must use your best efforts to replace these men, and it is most important as already indicated that you lend your best efforts to decrease turnover and the shifting of manpower out of your industries for causes and reasons other than Selective Service withdrawals.

It is not necessary for me to go into any details concerning Activity and Occupation Bulletin No. 6, Local Board Memorandum 115-D, or other releases, rules, and regulations or procedures. I understand you are thoroughly fa-

miliar with all of them. But I do want to emphasize and reemphasize that if you have a man who actually should be deferred, good old common horse sense is the best way of accomplishing it. It is merely a question of proper presentation and proper relationship with representatives of the Selective Service System. An honest presentation, made in simple form without any frills or fanfare, is in my opinion the best solution.

In closing, I desire you to know

that it is my intention to have our close relationship with your Associations continue in the future so that we may keep closely informed of your problems and be in a better position to more properly carry out our duties and responsibilities with respect to procuring manpower for the armed forces with the least disruption to essential production.

I am very pleased to be here with you, participating in this discussion of your manpower problems.

Labor and the 1944 Food Program

By Col. Philip G. Bruton, Director of Labor, War Food Administration

The War Food Administrator has announced that food production in 1943 was almost 5 per cent larger than the record year of 1942, and 32 per cent greater than the average of the last five years of the thirties. Greater quantities of our farm products had to be processed last year than ever before. This was true, not only because farm production reached record heights, but also because vegetables and fruits and many other farm products must be canned, dried, frozen or packed before they can be shipped abroad to help feed our fighting men, our Allies, and the starving people of liberated countries.

The job on the farms was achieved in the face of a serious shortage of skilled able-bodied manpower.

Since April 1, 1940, about four million actual or potential farm workers have left farms or have taken non-farm jobs while continuing to live on farms. About a million of these persons entered the armed forces. Some replacements have been made, of course, but a very great part of the loss consisted of young men who were highly skilled in the operation of complicated farm machinery and in the care of livestock.

To compensate for the loss of experienced able-bodied men, the American farmer was driven to extreme measures in 1943; he increased his working hours, which were already long, and brought his wife and children more fully into the working force. Great credit is due American farmers for their efforts to meet their labor needs from their own resources.

It must be recognized, however, that it would have been impossible for farmers to do their production job without additional help. They were given material aid through the Farm Labor Supply Program, established by WFA under authority of Public Law 45. Under this program, operated by WFA, including the State Agricultural Extension Services, neighborhood leaders helped farmers in working out exchanges of labor and machinery. County agents organized local campaigns in cooperation with local clubs and civic organizations; many business men worked part time on farms, thousands of village and city young people

took farm jobs last summer, and non-farm women, in considerable numbers, were recruited to help on farms. Local placement offices made approximately four million placements, including persons placed for a few hours, for a few days, and for longer periods.

These local mobilization campaigns enabled most farming areas to meet their peak needs, but in many localized areas within the several States, due to weather, crop yields and other conditions, it was necessary to supply out-of-State labor. WFA, therefore, established and maintained a mobile task force of experienced able-bodied men who could be shifted on short notice to save threatened crops in critical labor-shortage areas. This force included 52,000 Mexicans, 8,800 Jamaicans, 4,700 Bahamians, and 14,000 domestic interstate workers. The foreign workers, particularly, were used throughout the season, many of them having been placed from five to eight times within 31 labor-shortage States.

In addition to this mobile task force, WFA made arrangements for farmers to use 12,600 Japanese evacuees, 2,500 conscientious objectors, approximately 45,000 prisoners-of-war, and about 55,000 members of the armed forces working on limited one-, two- and three-day passes.

As an integral part of the program to supply farmers with needed labor, WFA operated 434 Labor Supply Centers in labor-shortage areas where housing facilities were inadequate.

It has been a difficult program, with many emergencies. It was necessary to move with speed, to improvise here and to adapt there, in order to meet unusual conditions which no one could foresee. On the whole, a creditable job has been done.

The canners and other food processors did a good job too. You processed the beans, the tomatoes, the peas, and the other perishable farm products. You had your labor problems too, but somehow you managed to get your job done, and I wish to compliment you on your outstanding achievement.

Many of you came to us last year and asked for the temporary use of workers from our mobile task force. We were unable to grant these requests, regardless of the severity of the need. We were not able to provide workers to

you on any basis whatever, because our authorization from Congress would not permit us to do so.

The food production job to be done in 1944 is a bigger job than the one that had to be done in 1943; the need for food will be tremendous. We may reasonably expect that more food will be needed for our armed forces as they advance; a larger volume of food will have to be shipped abroad to provide temporary relief for the liberated people of occupied countries. The needs of our Russian Allies will be greater until they can get reoccupied territory back into production. There will be need for more food than we can produce.

Assuming favorable weather conditions, it is estimated that approximately 72 million more man-days of farm labor will be required this year than in 1943, if the 1944 production goals are to be achieved. This additional work-load will require the equivalent of 288,000 additional men, each working 250 ten-hour days per year. Perhaps 500,000 new workers will have to be found to do the added work.

The outlook with respect to farm labor supply in 1944 is not very favorable. As I have said, the production goals are larger. Furthermore, WMC recently estimated that 500,000 additional men will have to be found for the armed forces during the last half of the fiscal year 1944, exclusive of battle replacements. WMC also estimates that the war industries will need at least to maintain their current employment levels which means that they will have to secure replacements for losses to the armed forces. Obviously, with such a prospective shortage of industrial and military manpower, additional demands will be made upon persons engaged part time and full time in agriculture, thus making it more difficult than ever to meet seasonal agricultural labor peaks.

The bulk of the farm production must come as it always has, from the million or so productive farms. We cannot expect that the operators of these highly productive farms can meet any substantial portion of their added labor needs by a further increase in their working hours or in those of the members of their families or hired help. Farm operators in Iowa, Wisconsin, Michigan, and most of the other agricultural States worked an average of more than 13 hours a day during the summer of 1943.

The 1944 Farm Labor Supply Program will be very similar to the 1943 program but we hope to be able to do a better job. The bulk of the farm work must be done by farmers and their families with the aid of their village and city neighbors. WFA, including the State Extension Services, will help as they did last year.

We are planning to establish a mobile task force of 125,000 able-bodied experienced interstate and foreign workers. These workers will be shifted from area to area of critical need as required to assist local labor forces in

the production and harvesting of essential food and fiber. As emergency crop harvester, they will not remain permanently in any community.

There is a provision in the 1944 Farm Labor Supply Act which is of special interest to this group. The law provides that "when authorized by the (War Food) Administrator, workers under the program may be used in the packing, canning, freezing, drying, or other processing of perishable or seasonal agricultural products." Let me hasten to explain that this does not mean that WFA will not proceed to find workers to meet all your needs. WMC still retains the primary responsibility for recruitment and placement of your workers. You must, as in the past, rely on that agency to find the helpers you must have.

Funds have not been made available to WFA to recruit and transport workers for food processors. The law does, however, make it possible for us to make some workers available to processors of perishable or seasonal agricultural products, on an emergency basis. The use of transported agricultural workers in food processing will be possible only for temporary periods and then only under the following conditions:

- (1) That the workers are already in the area where the need exists, and
- (2) That the workers are not needed at the time in agriculture in the area as certified by the State Extension Service, and
- (3) That WMC has certified that such workers are needed to save substantial quantities of war-essential food which will be lost if said workers are not made available.

Our mandate from Congress is to supply farm labor and the nature and size of the farm labor supply problem makes these restrictions necessary. Within the rather narrow limits of these conditions, we may be able to help save substantial quantities of food that might otherwise be lost. I want to assure you that WFA is vitally interested in your labor problems. Increased farm production would be futile if foodstuffs were allowed to spoil because of inadequate processing labor.

Another phase of the farm labor activities of WFA that may be of interest is our agricultural wage stabilization program. Many times during the past year, food processors have complained that local farm wage rates were higher than the rates that they were able to offer. This condition, where true, came about because your wage rates were stabilized by the War Labor Board at their October 1, 1942, levels, while agricultural wages, with a few exceptions, have been subject only to a \$2,400 annual ceiling. I have been told that this condition has complicated your recruitment problems, because many of the workers that you normally employ are used interchangeably in agriculture and in processing.

I would like to review briefly at this point, some of the background factors with regard to agricultural wage stabilization and to call to your attention the reasons why farm wages have not been frozen at the levels prevailing on a specified date, as is the case with non-agricultural wages.

The Director of Economic Stabilization, on November 30, 1942, gave to the Secretary of Agriculture jurisdiction over the wages of agricultural workers whose annual wage or salary payments were not in excess of \$2,400. This authority was later transferred to WFA. On December 9, 1943, the Director of Economic Stabilization gave to the War Food Administrator jurisdiction over all wages of agricultural workers plus jurisdiction over salaries of agricultural persons of \$5,000 or less per year.

In the delegation of authority from the Director of Economic Stabilization, agricultural wages and salaries were left free from certain restrictions placed upon the wages and salaries of non-agricultural workers. The regulations of the Economic Stabilization Director, issued August 28, 1943, state, and I quote: "The general level of salaries and wages for agricultural labor is sub-standard . . . a wide disparity now exists between salaries and wages paid labor in agriculture and the salaries and wages paid labor in other essential war industries . . . the retention and recruitment of agricultural labor are of prime necessity in supplying the United Nations with needed foods and fibers."

Therefore, farm employers have been and are free to raise the wages of agricultural workers receiving less than \$2,400 per annum to that level and, again I quote from the regulations of the Director of Economic Stabilization: "unless and until the War Food Administrator determines, and gives public notice of his determination that, with respect to areas, crops, classes of employers, or otherwise, increases in salaries or wages for agricultural labor may no longer be made without the approval of the War Food Administrator."

The Director of Economic Stabilization also specified that "no employer may decrease wages or salaries paid to agricultural labor below the highest salary rate or wage paid for such work between January 1, 1942, and September 15, 1942, without the approval of the War Food Administrator."

I wish to point out that the "freeze" method is not suitable for agricultural wage stabilization because farm employment is not sufficiently standardized and uniform for the wage rates of any particular date to be fair and reasonable for the entire year and for all conditions. Farm employment is very scattered and employment contracts are generally very informal. Furthermore, at any given date, many seasonal tasks are not in operation, so that it would be difficult to establish a suitable stabilization base for these tasks; in addition, agricultural wage rates taken as a whole and despite recent increases, are

still substandard. Figures of the Bureau of Labor Statistics show that on September 1, 1943, earnings in all non-agricultural industries were 99.3 cents per hour, \$7.40 per day, and \$44.80 per week. On October 1, 1943, which is the nearest comparable date for which farm wage figures are available, hourly earnings of hired agricultural workers were 34.8 cents, daily earnings were \$3.51 and weekly earnings were \$17.15. At these same dates, farm wage rates were only 47 per cent of the *hourly* wage rate paid for common labor in road building, while *daily* rates on the farm were only 58 per cent of the *daily* rate for common labor in road building. The difference was least on the Pacific Coast, the Mountain States, and in the West North Central States. It was greatest in the East South Central States.

For the reasons that I have given, wage stabilization in agriculture requires the determination of a specific level of wages for particular crops, operations or classes of employers and provision for adjustments to meet special conditions.

It has been determined, therefore, that agricultural wage stabilization orders will be approved by the Administrator only on the recommendation of a State agricultural wage stabilization board which had previously conducted public hearings for the purpose of securing evidence on the basis of which the Board may make recommendations to the Administrator. These State wage stabilization boards, which will be appointed in each State desiring agricultural wage stabilization, have the additional duties of supervising and enforcing the maximum wage or ceiling rate regulations established within a State and also the further responsibility for making the necessary adjustments to correct for hardships under ceilings in specific cases.

Up to the present date, agricultural wage ceiling orders setting a limit to increases in wages have been issued with respect to workers in California and Florida. The list of these determinations is as follows:

1. April 12, 1943, and January 20, 1944, asparagus workers in the central Delta area of California.

2. August 24, 1943. Persons engaged in the picking of canning tomatoes in 19 counties in central California.

3. August 26, 1943. Persons engaged in the picking of grapes for sun-dried raisins in 8 counties in the San Joaquin Valley.

4. October 8, 1943. Persons engaged in the picking of American upland cotton in six counties in the San Joaquin Valley.

5. November 27, 1943. Persons engaged in harvesting oranges, grapefruit, and tangerines in Florida.

It will doubtless be of interest to you to know that the regulations issued by the War Food Administrator on January 17, 1944, specify that employees engaged in packing or other prepara-

tion of agricultural commodities for market, delivery of such commodities to storage or market, or to a carrier for transportation to market, generally are not considered to be engaged in agricultural labor. The regulations further state, however, that if an employee is engaged primarily in an occupation that is classified in these regulations as agricultural labor and only incidentally performs such non-agricultural operations as I have just specified and is paid for such services by the same employer, he shall be considered agricultural labor for the purpose of wage stabilization. The regulations also provide that such an employee shall not be considered as employed in agricultural labor for such time as he works in a packing shed or other establishment preparing agricultural commodities for market if such establishment employs 8 or more employees in the packing or other preparation of agricultural commodities for market.

If it is your judgment that agricultural wage rates in your localities have risen to the point where agricultural wage stabilization is in order, you should communicate this information to your State Director of Agricultural Extension. He will review the conditions

and if he concurs in your judgment, he will recommend to the War Food Administrator that a State Agricultural Wage Stabilization Board be appointed to conduct hearings and make appropriate recommendations to the War Food Administrator.

In conclusion, I wish again to emphasize that there will be need for more food than we can possibly produce and process in 1944. This is the year in which the United Nations expect to bring to bear against the enemy the full weight of their military and economic strength. To make that impact fully effective, we in America are called upon to furnish not only men and munitions of war, but also great quantities of food. We cannot afford to let down in our efforts because of temporary successes on the battle fronts.

We must make every effort to produce and to save all of the essential food that can be produced. No matter how great the obstacles may seem to be at the present moment, they must be overcome. It is my firm conviction that the food production job will be done and that necessary food processing will also be done. I believe these things because I have confidence in American initiative and ingenuity.

Cannery Labor

By Fay W. Hunter, Chief of Rural Industries Division, Bureau of Placement, WMC

sofar as possible we have attempted to do this.

Field Labor

Colonel Bruton has informed you of WFA's responsibility and plans for providing the labor necessary to harvest the commodities which you expect to process: he has informed you that the same division of responsibilities exist as last year, that WFA and the Extension Service will direct their efforts towards supplying an adequate force of field labor and that the War Manpower Commission and the United States Employment Service will direct their efforts toward assisting the cannery and processors in obtaining a supply of canning house and factory labor.

We do expect that we will be able to better coordinate the efforts of all agencies in arriving at the ultimate objective of producing a record supply of food for our armed forces, our civilian needs, and our allies. Certainly under the present law there is no objection to the use of *available* agricultural labor supplies, either foreign or domestic, in food processing. I am sure that if such supplies exist permission for their use can be granted under the recently enacted legislation.

1944 Program

The 1944 program of obtaining the workers necessary to meet the needs of food processors is basically the same as that laid down for 1943. We sincerely hope that the mistakes and poor operations which were experienced in certain areas may be eliminated. In

Canning House Labor Program

In planning the 1944 program we worked closely with your representatives and our field force. I believe that it may properly be said that the projected program for the coming year is as much of an industry program as it is a WMC program. Working closely with

Happer Payne and the National Canners Manpower Committee, a rough outline of plans was projected. This outline was sent to 25 representatives of the food processing industry in 25 different States and to 25 of the WMC State representatives, for their comments and criticisms. When their suggestions were received the final program was agreed upon and is now being placed in operation. Time will not permit me to cover that program in detail. I do however want to cover several major points upon which many questions have been raised.

Publicity

You will recall that last year we were all in agreement that a publicity campaign was necessary to bring squarely before the public their responsibility for assisting in meeting labor requirements. Such a campaign was carried out. We did, however, receive some resounding criticisms on the program. So widespread and so uniform were these criticisms that our first step this year was to develop a unified program which we hope will eliminate last season's mistakes. Mr. Payne of the National Canners Association, our informational personnel, and the Office of War Information have developed this year's program. Plans are under way to insure a better timing of this program and to prevent failure of its purpose which might result from over emphasis on a national basis. There appears to be thorough agreement that the most effective publicity was that developed on a local area basis.

The job of recruiting volunteers for emergency work in food processing plants through publicity resolves itself into two separate and distinct phases—national and local recruiting appeals. The National appeal for individuals to work in food plants is designed primarily to acquaint as many prospects as possible with the broad aims and objectives of the recruiting movement—why assistance is needed to process food and how each individual can help. This national appeal, through radio, magazines, and newspapers, will contain no immediate request for volunteers, but will simply ask prospects to stand by and be ready to answer the local call when the need arises.

The local appeal, in contrast to the national appeal, is based on a call for immediate, specific action on a local basis for persons to go to work immediately in a food processing plant. The material for local, community, or area use being prepared includes a series of display ads, a series of posters, a series of radio spots and interview scripts, newspaper releases, speech material and a background statement on food processing recruitment. Its your program and we expect your help in putting it across in your community.

Recruitment and Labor Supplies

We must still depend to a high degree upon community mobilization for the major supply of peak labor needs.

The experience which every operator went through during last year should prove exceptionally valuable in intensifying this program during 1944. There is general agreement that during the season ahead there will be increasing difficulty experienced in obtaining the necessary male workers for the heavier jobs of unloading baskets and hampers at receiving platforms and moving cartons and cases of canned goods within the plants and other tasks requiring strong husky men. Some of the sources from which we expect this type of worker to come are:

1. Prisoners of War

Negotiations are now under way with the War Department looking to the establishment of additional permanent or sub-camps from which prisoners of war may be obtained for seasonal food processing requirements. It is not possible at this time to quote definite figures or to designate the areas and locations in which additional camps for war prisoners will be established. There is reason to believe, however, that in 1944 this source of labor will be more generally available than in 1943. Regional and State offices of the USES are surveying their needs for prisoner-of-war labor and establishing the necessary supporting statements for additional camps. All requests by employers for such labor must be made at local USES offices.

2. Cut Backs of War Industry and Discharges from the Armed Service

There may be some decrease in employment in essential war production plants. If these workers are released during a period and in an area where cannery labor is needed, every attempt will be made to refer such workers to canneries. We are also experiencing a release of about 80,000 men per month from our armed services, men who have been wounded, men who have developed certain disabilities, men who because of age are being given releases. From this group some will be available. These two factors cannot be counted as a major source of supply but some of them will be available for this type of work.

3. Part-time Workers

A number of other industries have picked up the plan which many food processing plants have used, that of four hour shifts or the victory shift as it has become named. The use of individuals who could and would work only part-time because of other employment. There are about 18 million workers in trade, service, and government that may be able to work a victory shift after they have completed their regular job. I have no fear that the canners will fail to get their proportionate share of this group.

4. Soldiers and Sailors on Leave

Present indications are that the current agreements covering the use of soldiers and sailors on leave for food processing activities will continue in force

in 1944. During emergencies in 1943, these workers comprised a most important labor source and without their contribution serious losses of commodities would have occurred in some areas. Soldiers and sailors, however, are not to be considered for employment until the possibilities of all other labor resources have been exhausted and when it is certain that serious crop losses are imminent because of critical labor shortages.

Labor Utilization

I believe that for the success of food processors manpower program in 1944 we need to go beyond the problem of recruitment and placement. A study of a few plants last year showed a tremendous turnover in personnel—a turnover so great that if they had been able to retain a fifth or a tenth of the employees whose names appeared on their payrolls they would have had more labor than they could have used. In any program or industry which operates with seasonal peaks in employment we expect turnover, but to the extent we have that turnover we have a recruitment problem. The recruitment problem can be lessened by preventing labor turnover. To accomplish this, two major points merit your sincere consideration.

1. The problem of training new workers for new jobs. Some of the more aggressive plants found that an adequate induction or training program was beneficial in a number of ways—it served to make the worker better acquainted with the work he was expected to do—it increased worker output—it developed skills which were unknown or dormant—it decreased labor turnover.

2. There must be a vigorous labor utilization program based upon sound management and industrial engineering experience. We must be concerned with seeing that every worker on every job is used at top skills to obtain the maximum in production. Your training programs will disclose skills in workers which otherwise might go unnoticed. Through labor utilization you will be able to make the maximum use of available labor supplies. In every industry many instances have been developed whereby jobs may be made simpler—where shortcuts in job methods mean greater production—where every man or woman may work to top capacity. One example of labor utilization which occurred last year, I think definitely proves what can be accomplished when need arises. One of the New Jersey cannery plants found itself short of male labor to man its unloading platforms—truck loads of vegetables waiting to be unloaded formed in lines several miles long—plant management was disturbed, waiting truck drivers were becoming irritable. Finally someone hit on the idea of having the truck drivers who were waiting to unload their trucks help on the unloading platforms—it worked.

Address by James F. Brownlee

Deputy Administrator of Office of Price Administration

I am not going to talk to you about the pricing of canned foods, because for the short time that you will bear with me I would like to have you get a picture of the general operations and general problems and policies of price administration—just as clear a picture as I am able to give you and one which I want to describe with all possible frankness and candor.

Recently I received a copy of a letter which Paul Willis had sent out under date of January 21, 1944, to all member companies of Associated Grocery Manufacturers of America. In discussing price control, here is what he says:

"Price Controls: As it applies to price control, the OPA situation sums up as follows: certainly by having Bowles, Brownlee, Carroll, etc., in top positions, the OPA has taken on a much better front. As it applies to the end result, however, there is very little difference in the situation from what it was under Henderson and Prentiss Brown. There are the same delays in getting action . . . there are the continued efforts of men on the staff to impose grade labeling, standards, and flat pricing; and the same effort at controlling profits rather than controlling price ceilings. OPA is still threatening to arbitrarily reduce the price of some established products, even though there has been no price increase for years. Having failed so far to impose grade labeling and flat pricing on canned vegetables and on canned fruits, OPA is now threatening to do this on canned meats. How this is going to work out remains to be seen. I know that Bowles, Brownlee, and Carroll are trying hard to do a good job, and we certainly intend to give them our best cooperation."

He brings out in this paragraph many of the things which we hear so frequently in connection with the OPA, and I have read it to you because it seems to me to touch in its various points, upon the very essence of price control.

When this so-called "business men's administration" of OPA started in August 1943, Chet Bowles, Jean Carroll, Jack Gismond, Carl Lovegren, and all the rest of us were told many times how glad industry was to have us take over. We remarked to many of our friends at the time that we would be curious to see how they felt about it after we had been here six months. Apparently Paul Willis expresses at least a feeling that they don't feel so good. Therefore, if you can stand the thought, I would like to have you sit down behind the desk of any one of us and see if you can tell me how you would handle the problems which we face, and whether our general thinking in handling them differs from what yours

probably would be, were you in our same place.

First, I think it is essential that you consider for a minute the whole stabilization picture as it is—not just prices or wage scales, but the entire relationship of those two main factors that constitute stabilization or lack of stabilization.

Whether you like it or not, the general position is that labor has been told that the little steel formula would control only as long as price administration was able to hold the general price level. If we do fail, on the other hand, to hold this price level, it was at least implied that wages would have to find some other level of adjustment. As I said above, you may not like this stabilization picture, but it's the only one you have and I think I can say to you that the line is stretched awfully thin.

Now, as to specific points that come up in connection with our pricing operations: First, we are constantly accused of trying to control *profits* rather than to control *prices*. I want to say to you as emphatically as I can that nothing could be further from the truth. So far as Bowles and I and the other men who are controlling the policy in OPA are concerned, we not only believe in profits; most of us have lived on profits all of our lives. And the degree of our being able to live well or not quite so well, has been our ability to make profits or not make them. On the other hand, to take the attitude that we do not look at profits would be just as far from the truth. Profits and prices are so integrated that no price control can fail to consider profits as one of the factors that enter into the prices which you net. As a matter of fact, you men of industry prove that to us every day. Hundreds of times a week, we are asked for price increases. Invariably, the reason for those requests is the fact that we have named prices which do not enable industry to make what they feel is a proper and fair profit. So, if you will believe me, that we are not trying to hunt down profits, but that we cannot control prices without considering them as one of the elements that enter into price. I think we can come to a fairly common understanding that they are a factor, but only one of the factors.

Approaching this from another angle, we also find that the consideration of profits under the policy of the agency is a safeguard to industry, and not a threat. We consider that to set prices for an industry, which are generally fair and equitable, we must increase prices for an industry when that industry reaches the point that its dollar profits are not equal to what they were in a representative peacetime period. There isn't anything equivocal about this position insofar as we are concerned. It's an obligation on our part,

and we have no option when an industry's figures show us that the prices we have named do not return to them the profits that they made in a representative peacetime period, then we must raise the prices to bring the industry back to its peacetime earnings' position, adjusted for changes in investment.

The philosophy behind this is that we cannot be expected to allow price increases that let industry make more profits out of the war than they would make normally. Mind you, however, that this criterion I have just mentioned above is applied only when we are asked for an increase in the prices of industry as a whole. I think you will all agree, that under the prices we have named, industry earnings are generally far, far better than in an average peacetime period. And I know you all agree with me that you would not want us to put industry or this agency in the position of insisting that price increases be allowed which would give industry an extra profit because the nation is at war.

Like many other critics of OPA, Paul Willis also takes us to task for delays in getting action. Frankly, this is an indictment that we must admit. It arises, I think, from two different situations. First, because the job is just too big for us and would be too big for even far smarter men than we are. I can well remember in the happy days when I was just a business man, that considerable numbers of various organizations I have been associated with, would sit around for hours at a time trying to determine what the price should be on a specific product. Perhaps some of you have gone through this same experience, and, perhaps, if you think back for a minute, you will admit that it took you some time to come to your conclusion even though in the national economy the particular item you were discussing might not have been too important, or the volume too great. OPA unfortunately is concerned with the problem not of controlling the price of a single item which may have a volume from several hundred thousands, to quite a few million dollars, but for controlling prices of at least a hundred billion dollars worth of sales per year. I can assure you that no one in the agency takes this responsibility lightly, either on the side of controlling too tightly and thereby putting large numbers of people out of business, or by controlling too loosely and thereby giving impetus to the inflationary situation that is such a very real threat. On the other hand, I can say to you that I think on the average the men who work for OPA spend more hours per day, per week and per month, than private industry could possibly get them to do no matter how high the pay. They do it because they believe the job is worth doing and they realize that unless they do the job well, one of the two alternatives I have just pointed out above is sure to happen.

Also, perhaps industry itself is a little to blame for this situation, and this is the second factor that enters into delays. You can't price honestly and properly without knowing the facts. We cannot do a sound pricing job without knowing operating costs so that we know what hurts you too much, or, on the other hand, what would constitute unduly high prices with the consequent threat to the stabilization picture. We need your help in this and if industry will realize that cost figures are necessary to us to do this job, and will cooperate in giving us those cost figures, I can assure you that many of the delays you complain about so bitterly will be greatly lessened.

Then, of course, we are often charged with having certain causes that we are trying to further—such as grade labeling, standards and flat pricing. Let me say to you that in the present administration of OPA there are no ulterior motives and there are no causes to be furthered. We have one job and I have told you it's a bigger job than any of us can do to our satisfaction. That one and only job is price control. If at times we are forced to interfere with customary industry practices, it is because we know of no other way to secure proper price control. It's hard for me to believe that you men even feel that businessmen in OPA want a different kind of economy after the war than they have lived with prior to the time that they came with OPA. I don't believe you do believe this, but I do think you believe that there are people in the agency who have other motives and that these other people are sufficiently powerful to cause us to do things against our will or that they are sufficiently smart to succeed in getting us to take actions because we don't really know what we are doing. I know neither of these is true. The philosophy in OPA is just to do a pure and simple price control job, the best way we can. Our ideas may vary as to how best to secure this price control, but as I see our obligation, it is to name the lowest price that we can fairly impose, and then to the very best of our ability cooperate in every way with industry to see that the method of fitting that price into the structure, is the method which is least disruptive to customary industry practices.

In the vast majority of cases, I suspect the real difference between industry and ourselves is not the method we use, but the level of prices we name. Industry naturally feels that in many cases we are not granting them the level of prices that they really need. Whether this is true or not, it seems to me is best determined by the record and this record is that industry as a whole is profitable—that failures are fewer than they have ever been in the history of this country. Also, perhaps something which you do not realize and that you may be interested in, is the fact that the pressures that come upon us are not by any manner of means all

on the side of higher prices. Perhaps you don't realize that time and again, I and the other members of the price department are called from meetings where industry is telling us that we are grinding them down unfairly, to a meeting of consumers or of labor who tell us that we are doing an unpardonable job of increasing prices beyond all rhyme or reason. It has sometimes been said that business has done a good job in getting us down here because we are permitting business to benefit at the expense of all the consumers in the country and that the methods we are using can lead to nothing but inflation of the wildest sort.

Now, of course, this is not true. As a matter of fact, I think the agency has done not only a good job but an outstanding job. I can say that without throwing any bouquets at myself because after all, I am only one of the newcomers. But it seems to me that the record speaks for itself. The record since April of last year indicates that regardless of unbelievable pres-

sures on the whole economy, the price level has remained almost completely stable. I think in fairness to the men who are doing this job I must say that in my own personal opinion they haven't done it too badly. Nor in doing it have they hurt anyone more than could be avoided. If the justice is sometimes rough, it is only because the job is huge. I think it's going to be a better job as it goes along because all of us are day by day learning more about it; but whether it's a better job or not, I can assure you that it's going to be an honest job; and when, and if, the time comes that it is felt desirable to have other people to control the destinies of the agency, the one thing I hope, not only for our own sakes, but for the sake of business and industry, that the accusation will be that we particular businessmen just weren't smart enough to do the job, and never that we didn't make an honest effort. Just so long as we call them as we see them, I am willing to stand or fall on the judgment and objectives of my associates in OPA.

Processors' Ceiling Prices

By Jean F. Carroll, Director, Food Price Division, OPA

A couple of months ago, I had the privilege of meeting with your executive council. At that time I told them that I would not make a personal appearance at your annual Conference unless it had been possible to have complete clearance on the method which we would use in establishing prices for the 1944 pack. I am glad to inform you that the plan which I am going to outline shortly has the approval of the Administrator and Deputy Administrator of the Office of Price Administration, the War Food Administrator, and the Director of the Office of Economic Stabilization. I believe, therefore, that you can have complete confidence that prices will be properly established according to this plan.

At the time it was decided to have this conference at this particular time, I told your planning committee that it would be impossible for us to announce the individual prices in February. This is because we are in the middle of an extensive cost and profit study which must be completed before prices can be calculated. It was therefore agreed that it would be satisfactory to this industry if we came before you and explained the methods by which prices will be established as rapidly as we can complete the work. Therefore, there should have been no possible misunderstanding as to whether or not individual prices would be announced today. They will not. We want to present to you a method for establishing prices that should give you confidence that you should receive a satisfactory net return from the 1944 pack.

Mr. Kitchen asked you yesterday for maximum production. We want to sup-

port that plea and believe that the plan which we are now going to outline will fully justify you in going after maximum production.

There are always alternative ways of handling pricing problems. The OPA wants to choose the method that is the most satisfactory to an industry provided that method is as good as other methods and will help us attain our job of effective price control. The canning industry has generally told us that the way to encourage production was to revert to formula pricing for all items.

From our standpoint, flat pricing does have two major drawbacks. In peace time no industry ever expects all firms to show a profit. There always has been a fringe of marginal producers whose merchandising ability and production efficiency were so low that they could not show a net profit under normal operations. Competitive pricing and individual ability normally determine who makes a large profit; who makes a small profit and who takes an actual loss. In war time, the Government cannot be expected to hold an umbrella over each marginal producer.

If, for example, flat pricing would show the industry receives a normal profit when we set the cut-off point to enable 80 per cent of the producers to recover their costs, and I mean total costs, it would seem that the remaining 20 per cent would be operating at an absolute loss. In addition, a portion of the 80 per cent while not suffering a loss, would receive less than a fair return. Establishing pricing by such a method leaves the industry with the feeling that it would be the fault of OPA that 20 per cent of the industry had suffered a loss and, an additional

percentage would get less than a normal return. That is not a good position for the Government to be in when the War Food Administration has asked you for maximum production. To avoid taking this responsibility, we are giving up flat pricing for canned fruits and vegetables. This statement does not apply to canned citrus products for the 1944 pack.

A second principal drawback to flat pricing is that it does not mean lower average prices to consumers as many people have thought. If anyone in the room expects formula pricing to result in higher average prices to consumers, he is mistaken and should immediately revise his thinking. Formula prices will result in as low or lower average prices to consumers as will flat pricing. This is our second main reason for abandoning flat pricing policies for your products.

On the other hand, from our standpoint, formula pricing has several advantages. It maintains the historical relationship between firms and between products and thus it conforms to normal business practices. We have no desire to upset normal practices except where it is necessary to do so to get effective price control.

Formula pricing places the responsibility on the canning industry's competitive situation and on the individual firm's own merchandising and production ability for the net profit or the loss position of each individual company. By using formula pricing, we are therefore not taking on the responsibility for having thrown individual firms into a loss position.

In the third place, you told us that you wanted formula pricing methods and that their use would gain maximum production. For these reasons, we are shifting to a type of formula pricing.

These are two fundamental difficulties in formula pricing unless some modifications are introduced into the system. In the first place, some companies in 1941 had raised their prices too high. A straight formula plan would give them excessive profits in relation to the balance of the industry. This, of course, we cannot tolerate because OPA must be fair to all producers.

In the second place, some companies were caught in 1941 with prices which were far too low. This may have been due to liquidation of inventories in order to pay the banker or for any one of a number of other reasons. For us to continue this type of squeeze on the low price producers would not be fair nor would it encourage such companies to go out for maximum production.

We, therefore, are introducing a modification into formula pricing which will pull down these excessively high prices and will pull up excessively low prices. This must be done by grades and we find it necessary to use AMA grades.

A large part of the industry has recommended that commercial grades be used exclusively in our operation but we find a serious drawback in this connection. If we were to write into our regulation the grade "top fancy" it becomes an automatic necessity for us to then define what we mean by "top fancy." We cannot use an expression in a regulation which has not been defined for it would not be possible for us to then go into court in connection with willful violators of our regulations. We have checked, not only with our own lawyers, but with outside lawyers and find a general agreement that the use of commercial grades or even the findings of a local arbitration board would be a very questionable practice.

This industry can blame no one but itself for its failure to have standardized commercial grades and, to have so defined them that we could put them into our regulations.

I want to make it perfectly plain that this is not grade labeling in any sense of the term. We will not re-open the subject of grade labeling and it is not in the back of the minds of any OPA official that grade labeling is part of this operation. I sincerely hope that you will also drop any such discussions.

Getting back to the plan, we are establishing a range for each AMA grade for each commodity. The range will roughly cover the middle 50% of the prices. Anyone who had a 1941 price in the upper 50% will be pulled down to the top of the range and likewise, anyone whose price was in the bottom 50% may come up to the bottom of the range. This removes the gross inequities at both price extremes. The plan was worked out with the help and guidance of a committee of canners.

Please note carefully that the only use we are making of AMA grades is to determine in which range your product falls. All we are doing is tying commercial grades into the AMA grades. If, at a later date, this industry decides to standardize commercial grades and to define them in black and white, we can then consider the use of commercial grades instead of AMA grades for use with our range of prices.

As I indicated earlier, the years 1936 to 1939 form our official base period. It is, therefore, up to an industry to assume responsibility for showing that this base period is not fair in its particular case, if it believes that it is justified in asking for some other base period. The canning industry has represented to us that it does not consider the years 1936 to 1939 as being normal years. We have made a preliminary study of the annual profits of the industry and are convinced that we would be unfair if we used our usual base period. The years 1937 and 1938 were bad years so far as this industry was concerned. 1936 and 1939 could not be considered as good years. 1940 was a pretty fair year. 1941 was a very good year. 1942 and '43 were excellent years. Therefore, we are shifting from our usual base period

and will use the 1940 and 1941 crop years as our base for this industry. Obviously we will not know exactly what the average net profit for the crop years of 1940 and 1941 will be until we complete our present cost and profit study, but we estimate it will be between 7 1/2 per cent and 8 1/2 per cent. For purposes of further discussion today I will use the figure of 8 per cent but please bear in mind all the time that the 8 per cent figure is purely for today's discussion and that the final figure used will be the average net return for the crop years 1940 and 1941.

Please keep one more factor in the back of your minds at all times. If we held this industry to its profits as of our usual 1936 to 1939 base years, it would mean about 3 per cent net, but by making the shift in base periods we are allowing you more than twice as much. This is in excess of the minimum required by law and therefore has been established on the grounds of encouraging production of products needed in the war effort.

When we speak of a return of 8 per cent it does not mean 8 per cent for each individual canner nor does it mean 8 per cent for each individual commodity. It does mean 8 per cent on the 1941 unit sales value industry-wide. It does not give a guarantee to any individual canner that he will make this net return. Neither does it place a limit on any individual canner by implying that he cannot make considerably more. Profits will vary from firm to firm just as they have in the past.

So far as possible, we will try to maintain the historical net profit differences between products but we may find it necessary to make some slight modifications in order to give incentive to items which the War Food Administration has indicated it will need. As far as possible, we will try to maintain the net profit difference between grades of a commodity but again we may find it necessary to make some slight modification for incentive purposes.

We are planning shortly to call a meeting of the industry advisory committee to secure its help in going into the application of the methods I am outlining here today.

Operation of Plan

It may sound to you as if this plan which we are proposing is a complicated one, but let me assure you that your end of it is very simple. The big job is in the OPA office. We will start with the 1941 prices for products. We will determine the increased costs of raw material, labor and other factors. We will then calculate how much in cents per dozen must be added to the 1941 prices to return to the industry the over-all net profit which we have just discussed. There is a possibility that this addition may be as a percentage instead of cents per dozen but it is my guess that it will be in cents per dozen.

Industry's job is extremely simple. First, you determine which of your commercial grades in 1941 would classify in each AMA grade for each commodity. This then shows you in which AMA grade range each of your commercial grades must operate. Second, you list your weighted average 1941 price for the first 60 days of the pack for each commercial grade regardless of brand (we may find it necessary to use some base other than the first 60 days in some areas but these exceptions will be few).

Could anything be more simple? No more monkey business with subtracting this, adding that, dividing by six and hoping you know what you have. We have done everything possible to simplify the entire plan.

Fourth, you then report your 1944 prices for our records and for the use of our Enforcement Division. These prices, of course, will be used on your invoices (unless you choose to sell for a lower price).

Second, to the 1941 prices you merely add the cents per dozen which we announce for your area for each grade of each commodity to compensate for increased costs and that is your adjusted price for 1944. The increases for increased costs probably will not be the same for the different grades. If your adjusted 1944 prices are above the range which we will announce, you merely use the top price in the range. If your adjusted 1944 prices are below the announced range, you will merely use the bottom price of the range. If your adjusted 1944 prices are within the range, you use them as is.

"Borrowed" Prices

A very objectionable feature of our former formula regulations was the method for pricing new products or new container sizes. We will completely eliminate the idea of a borrowed price as this practice was badly misused by the canning industry and led to extreme complications in connection with enforcement.

Canners who have started operations since 1941 or who have gone into new products since that date will have to secure a price from Washington. We will assign such price at or near the bottom of the range for the commodity and grade involved. To assign a higher price would be unfair to present low price producers. It might also result in too many canners abandoning a low price commodity to secure a higher price on some other commodity.

Canners needing a price for a grade or container size not packed in 1941 will also secure a price from Washington. They will be given a price which bears a proper differential to the other grades or container sizes which that individual already packs.

I want to emphasize again that this is not profit control. Prices consist of costs and profits. Profits, therefore, must enter into the picture. Our will-

ingness to shift from the used 1938-39 base to a '40-'41 base indicated our desire to be absolutely fair to the canning industry.

No one can claim that the canning industry over a period of several years has made a better average return than we are proposing here today. Therefore, there is no justification for any complaint about the profit level which we are using as the basis for our calculations.

Our plans must be based on the assumption of a normal pack. If nature should decree low pack or if you as individual canners do not pack extensively enough, it could mean a low net return for the industry. On the other hand, a big pack could return to you a profit much in excess of the one which we are planning. We therefore believe that you as an industry are justified in going all out for maximum production.

Gross Price

One more point which I want to make clear. In your calculations you will arrive at what will be considered a gross price. From this gross price you will deduct the discount percent which is applied to government purchases. Unless our cost study indicates otherwise, this will be 4 per cent as it has been announced on canned citrus products. Your price to the Government will probably be the gross price minus 4 per cent.

On sales to civilian channels your prices will be the gross prices less any amount by which the Government may decide to subsidize civilian purchases. In the absence of any subsidy, the gross price itself will be the civilian price. In either event, the return to you is exactly the same with no ifs, ands or buts.

In our calculation of costs, we will consider the support prices as announced by WPA yesterday.

OPA is frequently criticized because it does not have sufficient enforcement. It should not be necessary for us to have a big enforcement staff. This is a democracy and we are in this fight to win a war. Every American citizen should be expected to do his part and that means that you should give us complete compliance with the spirit of our regulations. If you do this, it means that we can use our limited enforcement staff to really go after the willful violators and will not have to spend much time checking the typical firm who is trying to play the game in a straight-forward manner.

If you live up to the spirit of our regulations, we can write them in a very simple manner. If you try to find loopholes through which you can legally do the things that shouldn't be done, all you are doing is forcing us to match our wits against yours to see if we can make the regulations so complicated that you cannot find further loopholes.

The decision as to whether you want simple straight-forward regulations or complicated regulations is in your lap.

The plan that I have outlined today is our best judgment and it is based on help from the industry as to the best method of handling the 1944 pack. We have gone just as far as we possibly can in accepting the industry's recommendations. We are, therefore, asking your whole-hearted support in making our regulations workable and in making them work. Our job is to throw the strikes down the middle so that we are fair to the consumer on one hand and we are fair to the industry on the other. There are no bureaucrats in the top of OPA. We want to get back to our individual jobs as rapidly as we can. When it is our turn to go back into private industry, we are hoping for recognition on only one score. We know that we can't be popular in jobs of this type but we hope that you will say "those fellows were fair and equitable in everything they did."

Excerpt from Address by Colonel Bryan Houston

Deputy OPA Administrator in Charge of Rationing

The broad objective of rationing is simply to take what supply is on hand and share it as equally as we can among the people entitled to it.

There are three rationing methods:

First, the point rationing system with which you are familiar. This method can be applied to a group of more or less closely related items. If you can't get beef you can still get pork; if not beans then you can buy peas as a substitute.

Secondly, there is the stamp method with which you are also acquainted. The stamp method is used in rationing

a single item such as sugar. The supply is so much. We divide that figure by the total of consumers and the result is a fixed quantity that can be given to every housewife. The value of the housewife's sugar stamp, as you of course know, is five pounds. We could not use the stamp method unless the supply was sufficiently large to give every American consumer a fair share.

Thirdly, we have the ration certificate method. This method is applied in cases where the supply is too short to

Borrow's Note—Col. Houston's plane was grounded at Cincinnati enroute to the Conference and he was unable to deliver his address. This is a portion of the speech he had prepared for the rationing sessions at Chicago.

cover 130,000,000 persons or the commodity being rationed is something that is not needed by everyone. We use it, for instance, in rationing automobiles. If we had 130,000,000 automobiles—and every American wanted and needed an automobile—we could, of course, ration automobiles by the stamp method. Obviously the point rationing method would not be applicable in the case of automobiles.

Perhaps the most convenient rationing method to handle is stamp rationing. We apply it to shoes. Shoe rationing is one of our smoothest running programs.

By far the most interesting rationing method and the most flexible is the point rationing system. As you of course know, it is applied to the rationing of processed foods and of meats and fats.

Point rationing calls for the application of precision methods to food distribution. Let me illustrate how it works out in rationing processed foods.

As you realize, the bulk of canned foods are packed from the end of June on through December. The nation depends very largely upon this pack for its foodstuffs to tide it over from January through June when the new pack starts coming in in volume.

Under point rationing, a flexible method is used to adjust rationing as conveniently as possible to trade patterns. Its controls are applied to this end. First is the wholesaler's factor which governs the amount of inventory that he may accumulate. Second are the consumer point values which may be raised when necessary or lowered if needed to facilitate the movement of canned foods into consumption.

Now during the height of the pack season the wholesaler factors are liberalized in order to permit wholesale establishments to take a large part of this canning pack off your hands during the pack season. This pack goes into warehouses and is gradually fed into distribution channels and eventually finds an outlet over the grocery counter and into the housewives' possession. Monthly adjustments of point values help to determine the rate at which this flow proceeds into table use.

It is like operating a savings bank account. During the period from June through December we put money in the bank. During the period starting in January and running through June we draw this money out of the bank account. The strange part about this odd bank account is the OPA commitment that the money should all be spent by the time the next saving period rolls around.

In other words, we encourage you to stock up trade during the flush production season with all the canned foods you can pack. We then adjust point values so as to encourage the movement of all of that pack into consumers' hands before the next pack year starts.

This, ladies and gentlemen, is the

basic OPA rationing policy. It is your insurance against the possibility—remote though it is during wartime—that inventories will ever block up your channels of distribution. Artificial barriers will be removed to aid movement.

A lot of people feel that we are taking a chance—that OPA is sticking its chin out and may get its head knocked off. They say, "That's a fine idea assuming every year is a good crop year. But what happens if we run into a poor pack? Under your policy there simply would be no stock of canned foods left to tide us over the coming year."

Now as a matter of plain fact that point is true. We do run the risk of going into a year with low stocks. In 1943, for instance, our early fruit crop was so severely damaged that fruit supplies for the full year were below normal.

Nevertheless, we feel that this policy of encouraging the movement of the full pack is right. We are not blind to the risk involved in sticking to that policy. But we feel that the policy of "eat as you produce" serves a purpose that fully justifies the application of the policy. As long as you know that everything you produce will be given a fair chance to go to the market—that points will be cut to zero whenever conditions justify, you are going to feel confident that you will be able to dispose of everything you pack. That means in turn that production will be encouraged, and it is upon production that the success of the government's program of course rests.

So we are adhering to our policy of helping to move the pack during the pack year. That policy, members of this association, is your insurance that you can sell everything you put up.

I am often asked "Why doesn't OPA increase our ration of beef or butter or canned asparagus?" The answer has been stated above. OPA does not get food. It simply takes what is allocated for rationing and then tries to divide it up as fairly as possible. The point rationing formula in this country is as simple as A B C. Reduced to its basic terms, the formula is:

A. The total supply of processed foods (taken item by item) is added to estimated production.

B. The product is allocated over the pack year.

Supply figures are obtained by OPA from two sources: Canners and wholesalers. Estimates of future canned foods production are supplied by the Department of Agriculture in conjunction with the National Canners Association.

The reports from canners and wholesalers represent the finger tip on the pulse beat of the industry. Both canners and wholesalers file their reports promptly. This gives OPA a clear picture showing supplies on hand at the start and at the end of a given month, the amounts set aside at the canner level for the armed forces and Lend-

lease, and the flow from canner to wholesaler levels. By checking the canner figures against the wholesale figures a broad view is presented of the net change in supply. This comparison shows how much is being taken out. The net balance stands out clearly, like a waterline indicator showing the number of gallons of water contained in a reservoir.

OPA is also getting figures on two other important subjects—home-canning and home consumption of both commercially packed and home packed foods.

We know enough about the home-canning supplies and the rate at which this supply is being consumed to tell you one thing. It has made it possible for OPA to reduce points to a level that is keeping the commercial pack moving into housewives' hands on schedule. Let me illustrate with canned peas. A few months ago canned peas had a ration value of 16 points a pound. The sale of canned peas slowed down at the retail level. So we cut the point value to 12 and again, last month, to 8. We can't tell yet what we will do for next month. We might have to raise the point values. But we'd prefer to cut it again. We most certainly will do so if a further reduction is warranted in order, first, to bring the movement up to schedule if it is lagging, and, second, to give the housewives the benefit of an increased ration allowance.

All of this, of course, ties in with our policy of adjusting points to move the pack during the pack year. Let me give you some interesting figures on this point. Since the start of processed foods rationing our scheduled movement of canned foods of all kinds called for the flow from canner and wholesaler levels into retailers' hands of 194 million cases by the end of December, 1943. Actually something over 185 million cases went down the distribution line. Ladies and gentlemen, that means that the variation between the scheduled movement and the actual movement was less than 5 per cent. Since then points have been reduced further, and this variation may be erased, I believe, before the next ration period starts or certainly very soon thereafter.

We are, as I said before, helping you to move the pack during the pack year. Our figures on which we operate this delicate mechanism of supply and consumption are exceedingly important. Your monthly reports are invaluable to rationing.

They also are invaluable to you, along with the wholesaler reports, in determining just how fast canned foods should be pushed over the counter and into the shopping bags of some 15 million housewives.

Gathered here today as we are, I think I can tell you, with every assurance that reliable trade and government figures provide, that this nation urgently, critically, needs every can of food that you can pack. Our armed forces in 1944 will need perhaps 50 per

cent more canned foods than it got last year.

As more troops move into Europe and into the Far East this military demand will increase.

Our civilian population is, of course, well-fed, but with increased purchasing power still could use a great deal more food than it receives. I am informed, for instance, by WFA that last year's production of fluid milk was the greatest in the history of this country. Fluid milk, mind you—milk available for household use. Nevertheless, you heard a great deal about shortages in this region or that region and growing demand that milk be rationed in order that people could get a fair share. Yet we had more milk for civilian use last year than ever before.

How, then, could there be any shortages anywhere?

The answer is simply this—thousands and thousands of people are today able to buy milk in quantity who never were able to do so before.

The nation's diet has improved. It wants more food and now has all the money it needs to buy all the food that can be produced.

So I do not hesitate to make the flat statement that the nation will find a place for everything you people pack.

Let's take a quick look at the places where your canning pack goes:

1. A liberal portion of the total supply must be set aside for the armed services, Army, Navy, Marine Corps, and Coast Guard.

Canned foods are especially adaptable to their needs because they can be packed more conveniently than fresh foods, require less shipping space, and do not spoil quickly, if at all.

2. Our allied armies get a share.

It is axiomatic that a soldier cannot fight on an empty stomach. Some of the United Nations do not have all the food they need for their fighting men. Each soldier of one of these United Nations who can be kept training his machine gun on the enemy means one less American soldier who must be sent to do the job—a soldier, incidentally, whom we would also feed.

Subtract these requirements from the total domestic canned goods supply and you get a balance, which represents the amount available to meet civilian needs. It is the amount that WFA turns over to OPA and the nation's food distributors to share fairly and equally among civilians. In 1943, the total available supply of foods was divided approximately as follows:

1. Seventy-five per cent for civilians. This amount, in view of increased production, was equal to the pre-war civilian supply. In other words, in 1943, we had as much to eat per capita in the United States as we ever had.

2. Thirteen per cent to our Armed Forces. Our fighters need one and a half times as much food as they had before.

3. Ten per cent for our fighting Allies. Every battle they win shortens the war, saves American lives.

4. Two per cent for our good neighbors and outlying U. S. territories, largely in exchange for war materials.

Since these allotments are made several months in advance in many cases, they must be based on estimated production which may not always be borne out by actual production due to things beyond the control of men. Storms, floods, insects and the all-important weather are factors which affect the production of food.

You as canners, of course, make your sales to the military direct. The distribution of your stocks available for civilians is, of course, effected through regular trade channels. OPA has nothing whatever to do with military aspects of your business as you well know. Its job, so far as your civilian sales are concerned, is primarily one of setting point values at figures which will make it possible for the trade to move the pack during the pack year.

Judging from some of the correspondence I read, some people seem to think that we set point values with a ouija board or simply pull them out of a hat. We do nothing of the kind. If you were to see some of the War Food boys working on figures with some of our OPA boys—Walter Straub, Kenneth Stauffer, Curtis Rogers, Bill Dunn and others—and sit in on the meetings with advisory groups representing the canning industry, wholesaler, retailers, and with figure men who know their statistics on consumer buying habits—you would realize that this business of setting points is as mathematically exact as any work of this kind can be.

The toughest part of this job of setting points came just before point rationing was launched, a year ago. OPA had no historical precedent on which to base its operation. It was trying something brand new to American experience. It had to figure, among other things, just how many points should be set aside for every one of America's 130 million people to use as ration buying power for every month of the year. The figure of 48 points was set for processed food rationing purposes. The figure of 60 ration points was set for meats-fats. The reasons why these particular numbers were decided upon are beside the point for this discussion, though they make an interesting story in themselves. However, in order to give you the picture of how the points were set originally on processed foods items—back a year ago on March 1, 1943—let us see how the figure 48 was applied to determine the point values that were set for several hundred different can sizes and varieties of canned and bottled goods, dried foods and frozen foods.

The base figure in the calculation was the total supply of canned foods in canner-wholesaler hands plus estimated production. We had this total figure in pounds and it was then necessary to convert the pounds into points. Here's where the mathematicians had a field day.

In order to establish the point purchasing power of the nation for a month, 130,000,000 people were multiplied by 48, making a total of 6,240,000,000 points.

To this was added 25 per cent, representing the added point purchasing power needed by institutional users, such as hotels, restaurants and other establishments, and by industrial users, such as confectioners and bakers who use processed foods in making other products. This addition amounted to 1,500,000,000 points, raising the nation's total point purchasing power to 7,800,000,000 points.

To this total was added another item to take care of government purchases made direct from wholesalers; for example, an Army purchase of processed foods to take care of a military field operation. The reserve set aside for this purpose was 100,000,000 points.

Against the initial total allowed as monthly point purchasing power, certain deductions were made:

780,000,000 points were pared from the allowance set for industrial and institutional users, this amount representing inventories of processed foods on hand at the start of rationing.

312,000,000 points, for coupons torn out of consumers' ration books for excess pantry stocks.

624,000,000 points for non-use; i. e., the estimated number of points in consumer ration books that would not be "spent" during the month.

After these deductions, a total point purchasing power figure was then divided by the total number of pounds of processed foods in supply. This gave an average point value of 10.8 points per pound. With this base figure, the next job was to set point values for specific processed foods items, some a little above the 10.8 point average, and some a little below, but all grouped around the base average.

On this basis, the supply of each item was spread out to last until the next pack were expected.

To this end, the projected or scheduled movement of processed foods, item by item, is checked against the actual movement. If an item is moving faster than had been anticipated, the point value must be raised to retard the movement. If slower, the point value is lowered to help move the pack and to give the public the benefit of available supplies.

This is the mechanism that is used by OPA in helping to move the pack during the pack year.

Many of you, I believe, would like an answer to the question which so many people are constantly asking: "Will OPA be able to cut point values next month?" I don't know the answer. Ken Stauffer and Curt Rogers don't

know the answer. Nobody knows at this precise moment.

You—as well as the millions of consumers you serve—are also wondering no doubt about the outlook for the future. Here also we run into some unknown equations—the uncertainties of war, and of weather.

Plantings may be larger than ever. Early prospects may point to a bumper crop. Storm damage and drought, however, may cut yields and what may have started as a bumper crop may wind up as a dismal failure.

This, however, can be said with authority.

In a relatively large measure, the civilian food supply this year, as last, will be determined by the civilians themselves.

Last year there were 20 million Victory gardens. This year Judge Jones has set the goal for at least 22 million.

There is no doubt whatever that home canning increased on an important scale in 1943 although recent surveys conducted by the Gallup Poll, the National Canners Association and others indicate the home pack was not as great as the early, optimistic estimates had forecast.

The best figures available show that somewhere between 140 and 170 million standard cases of 24 cans each, of which about 145 million cases were canned fruits and vegetables, were packed in homes last year. Some idea of what this means can be obtained when it is pointed out that in 1941 the commercial pack totaled 349½ million cases; 361 million in 1942 and 328 million in 1943.

It must be borne in mind, in considering home canned products, that total production is not as important as distribution.

A family unit may have canned 400 quarts of home produced vegetables and fruits of which 100 quarts were consumed. The other 300 cans form a reserve for that family but can not be considered a part of the national civilian food supply because they are not available for distribution in commercial trade channels.

Another important point should also be remembered. Since the earliest days of this republic thousands and thousands of housewives have regularly canned and bottled the fruits and vegetables for home use. Home canning is not a novelty to them. It is apparent, however, that the total amount of home canned foods has increased—just how much no one knows. It is reasonable to believe that most of this increase has been in the homes of people living in cities of 50,000 population or more.

The crux of the matter, therefore, is this. It is not the overall amount of home-canned foods that counts—it is the rate at which home-canned foods are being eaten up.

Are home canners moving their pack during the pack year?

Ladies and gentlemen, I don't know. Our figures—which are the best I believe that can be obtained on this subject—do not reveal that interesting point. In a short time—perhaps five or six weeks—we hope to have the answer.

But there is one thing I should tell. The size of the home pack finds reflection in the trend of point values. If the home stock of canned limas is large, store sales are slow. That means we can cut points. And we don't hesitate to cut to zero when the figures on movement warrant such action. It is possible the home pack is large enough to justify further point value reductions.

The future of rationing in 1944 also depends to a very great degree on the

military demand. As General Hardig said in his speech of yesterday—military need of foods is bound to rise.

There is another point of interest: the idea that victory is near.

None of us—so far as I know—can put his finger on a calendar and say the war will end next month, or six months, or a year from now. We just don't know when it will end.

We may, however, have a clearer idea by July. By then it is possible the nation may know that the war in Europe, at least, is nearly over. Or, if not, that it isn't going to be a fast finish. But until we do know—for a certainty—we should grow all the food we can, and pack all we can. We will need it.

Text of Address by Walter F. Straub

Director, Food Rationing Division,
Office of Price Administration

This opportunity of talking with you is a special privilege for me because I hope to exchange views with you not only as a government official but also as one food processor to another. My government experience is somewhat limited—about four months of it against 25 years of developing a manufacturing business from the wood-shed stage to merchandising food products nationally in much the same way as you have done.

My first contacts with the food industry after coming to OPA brought out the old "college professor" complaint. Much as all of us favor having experienced business men in responsible government positions, yet we must not forget the real contribution which was made by our more scholarly predecessors. They laid the foundation for a program which distributes over ten billion dollars in critical foods to nearly 130 million people. To plan the practical performance of these sixteen billion red and blue points that feed us every month—and make the plan work was a tremendous achievement and I salute it. Our job is to streamline and strengthen this program and to lessen its burden upon industry and the consumer wherever possible.

"Ken" Stauffer and his two right bowers, Curtis Roger and "Bill" Dunn, head up our Processed Foods Branch in Washington. The entire branch consists of only 60 people. The 25 policy-making officials all were recruited directly from the food industry. None of them ever held a government job before and their combined experience is a cross section of retailers, wholesalers, food brokers, and food packers. I should add that every one of them was successful in his own line in private industry and their stay in Washington in each case constitutes a real personal sacrifice. The same is largely true of every branch in the Food Rationing Division.

Now the question is: Are all these practical men wasting their time working on rationing? Is their absence from their industries which, today, probably need them worse than ever, worthwhile? Nobody wanted rationing, nobody really likes rationing and yet paradoxical as it may seem, if the matter were put to a vote tomorrow, unquestionably rationing would be retained until our food supply and demand is back on an even keel.

It seems unnecessary to take much time on the question of why we have rationing with an audience like this. We had no rationing, as such, during the last war. Today, however, food supplies for our troops are so vast that those of the last war seem small by comparison. Distances are far greater. I like to use the analogy of the garden hose—if your lawn at no point stretches more than 15 feet from the standpipe, you can water it with 10 feet of hose and there need never be more than a little water in that hose at any given moment. But if parts of your lawn are 200 feet from the nearest water outlet, how much more water does it take to keep that hose filled so that the supply at the other end may be continuous? And how much more is lost in unavoidable leakage?

In the last war, to follow this analogy, our country had slightly in excess of four and one-half million men under arms, less than half of whom were about 3,000 miles away and fairly well centralized. The supply line to them may be compared to the 10 foot garden hose I mentioned a moment ago. The "leaks" from aerial bombings were not there either.

Today we have more than 10 million men and women in our armed forces and they are scattered to the ends of the earth. Let's take a look at some of those 200-foot stretches of hose that must be kept filled at all times. Besides the greatly enlarged food line stretching to Great Britain let me point out to you that it is 5,223 miles by water

from San Francisco to Tokio and not much less than that to the way stations our men have already reached. It is 5,544 miles by water from San Francisco to Adelaide, Australia. Within these distances, which sound more like telephone numbers than mileage, are contained hundreds of outposts, garrisons, hospitals, supply dumps and everything else that goes to make up a gigantic army and everyone there must be fed, clothed, armed, receive medical treatment and have their morale kept up. Each of those items means another tremendous stretch of supply hose which must be kept filled to capacity every minute of the day and night. I don't need to mention Alaska, the heavily guarded Canal Zone, North Africa or the arms and supplies that must be sent by tortuous routes to keep the Russians going in their magnificent offensive.

We feel that this necessary war-time food rationing has reached the stage where we can point with some pride to the job that has been done, not just in food rationing alone but throughout all of OPA, especially in the matter of costs. A year of 13 rationing programs for 130 million people has cost Uncle Sam 64 million dollars. That figures out at something less than four cents per person per rationing program. Of this whole program food rationing, by far the largest, covers, as it must, hundreds of items of meats, fats and processed foods. We estimate that our share of overall cost has been between 20 and 25 million dollars. This includes, for example, an item of over 9 million dollars for ration banking alone, 3 million dollars for printing, chiefly ration stamps. So it is costing our people slightly less than 20 cents apiece for the most gigantic food rationing program since Joseph started rationing in Egypt several thousand years ago. And he had seven fat years in which to prepare for the lean years to come.

Our Food Division in Washington consisted, when last checked, of 282 salaried employees. Our total for district and regional food rationing staffs is now about 238. Most of these people are doing the work of three or four and we would like to be able to get more help. In an emergency a good worker can handle more than his share of work up to a certain point. If he keeps that up, however, in the long run his work will suffer. The point I am making is that this tiny staff of 510 paid workers scattered from the Atlantic to the Pacific and from Canada to the Mexican border is handling rationing through 5,424 local boards, serving about 130 million consumers, 600,000 retail food stores of all kinds, 20,000 wholesale food establishments, 400,000 institutional users, 100,000 industrial users, and 4,000 processed food manufacturers and canners.

Now, let's take a look for a moment at rationing during the last war. Of course they didn't call it rationing then; it was known as the U. S. Food

Administration. At that time the Government was worried about four basic commodities—sugar, meat, flour, and coal. But they had no ration points. Instead we had meatless Tuesdays, wheatless Wednesdays, sugarless Thursdays, and, no doubt, heatless apartments then as now. That administration has been said semi-officially to have had 4,000 or more paid employees, and in a book by one of its experts, W. C. Mullenbore, to which the administrator gave his blessing by contributing a chapter, it is admitted that there were 2,921 or just short of 3,000 paid employees in Washington and in the field. Their sole duty besides research apparently was to ask people to please cut down a little on sugar, meat, flour and coal. We have to regulate a complete "cut down" with 510 paid workers.

Now let me ask you a question. Has rationing been the terrible burden many people thought it was going to be? Has it been such an unmitigated curse on the consumer, the retailer and wholesaler, the processor and the producer?

In the first place, rationing has taught business more about itself than it ever knew before. It may have been annoying. It may have called for hours of extra work, but it is a safe bet to say that business knows more about itself than it ever did before. That should be a constructive contribution. Other countries at war had to impose far greater controls. I recently had occasion to read a detailed report by a meat expert on rationing in Great Britain. I found that His Majesty's government exercises an iron control over every ounce of meat, fat, bone, and offal in the United Kingdom. This is not said in any critical sense of the British. They have their own problems and they know how they want to meet them. But I could not help thinking as I read it, to what a large extent we have put a wide and complicated system of rationing into effect in this country and still retained the spirit of free enterprise.

You may not believe it yet but rationing is the greatest sales organization that you and I in the food business have ever had. No money could buy what rationing has done and is doing for us. It has made the housewife more food conscious, more quality conscious, and perhaps more brand conscious than she ever was before. Today with her supply of treasured ration points always governing her calculations, she is buying more intelligently and with a keener eye on value than was ever dreamt of before the war. Every legitimate canner and food processor in the country knows that in the long run this will work out to his advantage. This does not mean that she will hereafter use only top quality. It does mean that she will buy the quality best suited for her particular requirements. Having bought what is best suited to her need in price and quality, she remains a satisfied cus-

tomer. Hit or miss buying is just as bad for the canner and processor as it is for the customer.

It seems needless to say anything here regarding the increased purchasing power of the people generally. However, I might point out that it has been estimated that about 35 per cent of the people, before the war, could not afford to buy the quality merchandise which makes up a large part of your products. Today with their increased earning power the housewives in that strata have learned to buy and appreciate the type of merchandise that you can or process. They will be a strong potential increase for your post-war markets; having become accustomed to better food, they will at that time be willing to do without something else in order to feed the family according to this newly-found standard. Without rationing this equitable, all-over enlarged consumer market would not exist, because the few early shoppers with the most cash could clear the shelves.

For the housewife, rationing means that she gets her family's share of whatever is available; for the retailer, the wholesaler and for the processor, it means that the very bonds that hold him down, encourage him thereby to deal equitably with all his customers, with the result that after the war and the need for rationing has disappeared, he will still have his same customers and more than he had before.

The OPA has striven to cooperate with the canning industry at every point. Last year, you will recall, there was great reluctance on the part of many of you to employ your facilities to the utmost due to the uncertainty of the future. At that time we put into effect a plan which permitted wholesalers to withdraw their usual portion of the pack under rationing. Tailored to fit industry practices the plan won the full support of the processed foods industry. It was based on an arrangement whereby wholesalers were given an increased point working capital, regulated by an increased maximum allowable inventory for each month during the packing season.

During March, April, and May of last year—the first three months of processed foods rationing—the wholesalers' maximum allowable inventory was restricted to the equivalent of about a three months' stock, that is, about three months' sales. In June, this allowable inventory figure was stepped up to about a four months' stock and still later with canning at its peak, this was increased to cover a six months' stock. I see no reason to doubt that much the same thing will be done again this year.

I am told that you canners and processors are still suffering from what have been well called "peace jitters." I am told also that you feel that stocks at the present time are very heavy, that warehouses are full and that because of that you would be

flirting with disaster if you went ahead on a full production schedule this year.

In the first place this is a global war to which the last one was little more than a skirmish. It is inconceivable that peace with Germany and with Japan would come at the same time. On November 11, 1918, everything stopped with a bang. That simply couldn't happen now. If, as some people believe, Germany were to capitulate this year, military experts are agreed that the war with Japan will be long and tedious.

The answer to bursting warehouses is simply that it isn't so. Most of you heard General Hardigg, Chief of the Subsistence Branch of the Quartermaster General's office, give you some very interesting figures. There are, he said, 33 per cent less stocks in government warehouses than at this time last year. The only places those warehouses are full is at certain deportation areas and the foods there are moving out just as rapidly as bottoms can be found to move them.

In spite of the fact that the estimated total production can be 357,700,000 cases this year, General Hardigg told you that the armed forces will take 50 per cent more than they did last year so that with all this increased production the civilian population will only get 202 million cases this year instead of the 255 million they got in 1943.

The actual movement of canned foods from processors to wholesalers and on down to retailers has stayed very close to what we have scheduled the past year. From April through December, 1943, we scheduled a movement of 194,000,000 cases while 185,000,000 actually moved. The difference of nine million cases out of a planned movement of nearly two hundred million is less than five per cent. Before rationing you will recall substantially greater differences than that.

In the canned fruits classification, 23,000,000 cases were scheduled and 27,000,000 actually went out. On fruit juices, we scheduled 36,000,000 cases and 35,000,000 went out. 112,000,000 cases of canned vegetables were scheduled and 101,000,000 actually went out. We scheduled 22,000,000 cases of canned specialties and 21,000,000 actually moved.

Considering that processed foods rationing is a new operation and that the buying habits of the American people had never been appraised before, this rationing performance was not too bad. We believe we can do better from now on because we have learned many things.

To close this message most practically from your viewpoint and perhaps to stimulate further discussion later, I want to present some of our 1944 rationing objectives.

One objective which I am sure you will welcome is our plan to remove

gradually from rationing the less important items. A small start has been made, as you know,—canned mushrooms and soybeans, etc., being the February point zero casualties. We hope finally to narrow down the processed foods ration list to perhaps 15 or 20 large volume items. This simplification must be gradual and reasonably planned to avoid dislocations in the blue point program.

Another objective is the speeding up of the relief measures in hardship cases in industry. Our newly organized industrial users section will serve to bypass some of the individual problems which industrial users of rationed commodities have heretofore made. Coming to OPA with problems involving, for example, processed foods, sugar and fats, industrial users have had to deal with separate branches and occasionally found policy variants which have delayed or impeded the solution to their problems. The new section will process all petitions irrespective of commodities involved and will be in continual contact with industry as liaison with various branches concerned. Made up of men with years of industry experience who understand the problems almost before they are explained to them this organization has already been able to speed up the solution to all kinds of industrial ration problems.

The new one-point ration tokens, while not directly affecting you, will also simplify ration buying by the consumer so that its effect on the retailer and the wholesaler will be felt all along the line. With the red and blue stamps each worth 10 points February 27 and thereafter, and the tokens valued at one point each, the one-, two-, three-, five-, and eight-point stamps will be eliminated. I like to compare the new 10-point stamp and one-point token program to our currency if it were reduced to one and ten dollar bills. That would not be practical in currency. But you can easily picture how simplified would be the checking of cash and keeping of accounts if it were. In ration points it is practical and will be just as simple, with an annual savings of over \$35,000,000 to retailers expected.

We are attempting to make the burden of rationing rest as lightly on your shoulders and those of the great buying public as we can. We want to make food rationing as pleasant, as simple and as inexpensive as is humanly possible. You people have done and are doing a fine job. The doors of my Washington workshop are always open to you and if you have any problems in which I can help, you will always find me available. Come along or write me at any time.

RESOLUTIONS ADOPTED

By the National Canners Association at
Annual Meeting in Chicago,
February 15, 1944

RESOLVED, that for the year 1944 the canning industry has but a single objective: The all-out production of canned foods for the armed services, our allies, and our civilian population. To the achievement of this wartime objective each member of the industry pledges his full support.

* * *

Two years of wartime production have made it abundantly clear to grower and canner, as well as to all others whose efforts contribute to the production of food, that maximum production cannot be achieved without integrated planning by all of the many government agencies whose regulations control the activities of the food processing industry. To this end the canning industry believes that it is part of its responsibility to present to the Government a series of coordinated recommendations for securing in 1944 the maximum production for which the Government has asked.

A representative committee of canners has labored long and earnestly in formulating the plans which have been approved by the Board of Directors of the National Canners Association as being those which must be accepted by the Government if the industry is to attain the desired all-out production.

RESOLVED, therefore, that the members of the canning industry attending this Processors' Conference adopt and recommend to each of the governmental agencies concerned, the plan recommended by the Committee on Planning for 1944 Production, and further urge that the achievement of the production goals set requires the adoption in full of such plan.

* * *

RESOLVED, that the securing, training, and employment of sufficient manpower to process the fruits and vegetables which may be harvested during 1944 constitutes the most critical of all problems in meeting production goals. Apprehension concerning the availability of sufficient harvesting and processing labor may limit planting programs. Moreover, it serves no useful purpose for the Government to arrange for labor to harvest the crops where there is a failure to recognize the need for labor for the processing by which alone such crops can be saved for later and distant distribution. The industry believes that this was the intention of Congress in providing in House Joint Resolution 206 for an adequate supply of workers to be used in the packing, canning, freezing, drying, or other processing of perishable or seasonal agricultural products. The industry, therefore, urges upon the War Food Administration the necessity of obtaining both the maximum number of war prisoners and of imported workers, and the definite assignment of such groups to canning factories.

RESOLVED, that the members of the canning industry express to representatives of the War Food Administration, the Office of Price Administration, the War Manpower Commission, and the armed forces, their appreciation for the splendid cooperation in making the Processors' Conference so firm a basis upon which 1944 production may be built, and particularly they desire to commend the individual speakers for their frank and informative contributions at the several sessions of the Conference.

RESOLVED, that the Association and its employees express their appreciation to the can manufacturing companies who have so generously contributed to the creation of the Retirement Fund, and have thereby made feasible its establishment at this time.

RESOLVED, a second year of war has brought home to the nation the importance of food for effective fighting in war and full living in peace. Fuller realization has come of the place in the food program of properly processed canned foods made possible by the continuing program of scientific research by the Association and the can manufacturers. Once again the cooperation of the can manufacturers has been manifested by their financial support and the valuable contributions of their research laboratories in planning and carrying on the current program of nutrition research. For these invaluable efforts the industry desires to express its sincere appreciation.

RESOLVED, that the Association and the canning industry is deeply appreciative of the comprehensive plan prepared by the Committee on Planning for 1944 Production, and of the time, thought, and unstinting effort which went into its preparation.

Achievement so solidly grounded, so widely acknowledged, and so extensive in its beneficent effects, requires no elaborate review. The members of the canning industry congratulate each other and the Association for the opportunity of having had the sound leadership of President Carroll E. Lindsey during two years of wartime operation. In the history of the Association no man has given more abundantly of his time and energies in directing the fulfillment of the industry's wartime obligation.

With the broadening of the war effort the responsibilities and activities of the Association have increased. The industry is indeed fortunate that there can be brought to bear upon these problems of great magnitude and complexity the experience, skill, and broad

knowledge of the canning industry of our beloved Secretary, Mr. Frank E. Gorrell, to whom the industry once again conveys its thanks for his sage counsel and guidance.

Both to Mr. Gorrell and to his loyal and efficient staff, the Association and the industry renew their expressions of continuing gratitude for work superbly done.

"Ed" Trego was a dynamic force in the canning industry and in the National Canners Association. The authority of his counsel and the affectionate esteem of his associates flowed not from acknowledgment of his merited success as a businessman. Nor did it rest in any large measure upon the courage and the forthright language with which "Ed" voiced his convictions, which were grounded upon what he regarded as the fundamental principles of decency, prudence, thrift, and responsibility to others. "Ed" was honored and respected throughout his long services as Association President, member of the Administrative Council, Board of Directors, and of numerous important committees, because the hundreds of canners and other business associates who were privileged to be his friends knew that the apparent gruff manner was only a cloak under which Ed in his modest way sought ineffectively to conceal his warm and ever generous spirit.

The Association mourns the loss of the counsel and leadership of the following directors and other officials of the Association who have died since the last convention:

Dr. Peter J. Donk, 55, formerly on the Association's Research Laboratory staff, died August 19 in a Hamilton, Ontario, hospital, following a six months' illness. At the time of his death, Dr. Donk was on the research staff of the American Can Company and had been associated with both American and Canadian canning firms.

Arch R. Dunbar, of Grimes, Iowa, who had been named a Director of the Association at the last annual convention, died at the age of 54 in a Kansas City hospital, on May 25. Mr. Dunbar had served a previous three-year term as a Director and was a past president of the Iowa-Nebraska Canners Association.

Bennett C. Nott, 62, president of the Association in 1928, died at his home in Grand Rapids, Michigan, on April 19, following a brief illness. He had served also on the Board of Directors and Administrative Council, and as Secretary of both the Pea and Pumpkin Sections.

J. C. Richendrfer, 64, former member of the Board of Directors and Secretary and Chairman of the Apple and Apple Products Section, died suddenly March 22, while using the telephone in a Seattle hotel.

David H. Stevenson, active in canning and in Association affairs during the first World War, died in Baltimore, November 29, after a 3-months' illness. Mr. Stevenson's Association work included Chairmanship of the Legislative Committee in 1920 and 1921, and membership on the Board of Directors. He also had been Secretary of the Tomato Section and had held other Association committee posts.

RESOLVED, that the President of the National Canners Association be authorized to act for the Association in selecting the time and the location of the next annual meeting.

RESOLVED, that the Association express to the Chicago Association of Commerce and Mr. William J. Hennessy, Manager of its Bureau of Conventions, the industry's appreciation of their cooperation in arranging hotel accommodations for the Processors' Conference.

1944 OFFICERS, DIRECTORS

The National Canners Association in convention at Chicago, Illinois, on February 15, 1944, elected the following officers and directors to serve during 1944:

OFFICERS

PRESIDENT: G. Sherwin Haxton, Haxton Canning Company, Oakfield, New York.

FIRST VICE PRESIDENT: Fred A. Stare, Columbus Foods Corporation, Columbus, Wisconsin.

SECOND VICE PRESIDENT: Alfred W. Eames, California Packing Corporation, San Francisco, California.

SECRETARY-TREASURER: Frank E. Gorrell, Washington, D. C.

DIRECTORS

For Two Years

Irving A. Nelson, Cool Spring Canning Co., Lake Mills, Iowa.

Weiby Young, Mississippi Valley Canning Co., Osceola, Ark.

For Three Years

Robert Baker, Baker Canning Co., Dundas, Wis.

W. E. Beach, McKeon Canning Co., Inc., Burbank, Calif.

E. M. Brennan, P. E. Harris & Co., Seattle, Wash.

Ralph Butterfield, Eaton Canning Co., Eaton, Ind.

E. C. Christensen, Christensen Products Co., Weslaco, Tex.

S. R. Clevenger, Bush Bros. & Co., Dandridge, Tenn.

A. E. Coddington, Ladoga Canning Co., Indianapolis, Ind.

William N. Colonna, John W. Taylor Packing Co., Inc., Hallwood, Va.

W. F. Dietrich, Minnesota Valley Canning Co., LeSueur, Minn.
 S. E. W. Friel, Jr., S. E. W. Friel Sons, Queenstown, Md.
 George H. Hall, George H. Hall & Sons, Inc., Dexter, Me.
 John R. Hinton, Blunden & Hinton, Inc., Reedville, Va.
 S. A. Holman, Libby, McNeill & Libby, Chicago, Ill.
 West Jens, Pleasant Grove Canning Co., Pleasant Grove, Utah.
 Moses P. Lawrence, North Lubec Mfg. and Canning Co., North Lubec, Me.
 C. J. Meister, Fairmont Canning Co., Fairmont, Minn.
 Chester A. Ray, New Era Canning Co., New Era, Mich.
 Kenneth N. Rider, Kenneth N. Rider Co., Trafalgar, Ind.
 C. B. Spencer, Spencer Packing Co., Lebanon, Oregon.
 John Speyer, Baldwin Packers, Ltd., San Francisco, Calif.
 William Varney, Varney Canning, Inc., Roy, Utah.

Held Over From Previous Years

Rodney S. Bell, Kuner-Empson Co., Brighton, Colo.
 C. Webb Campbell, Cummins Canning Co., Conneaut, Ohio.
 Garth Carrier, Iowa Canning Co., Vinton, Iowa.
 C. H. Chitham, Milford Canning Co., Milford, Ill.
 D. D. Couway, Minot Food Packers, Inc., Bridgeton, N. J.
 Berkeley Davis, Rogers Canning Co., Milton, Oreg.
 H. C. Draper, Draper Canning Co., Milton, Del.
 Fred Drew, Drew Canning Co., Ltd., Campbell, Calif.
 G. A. Filice, Filice & Perrelli Canning Co., Inc., Richmond, Calif.
 W. A. Free, Hungerford Packing Co., Hungerford, Pa.
 Walter A. Friend, Friend Brothers, Melrose, Mass.
 H. K. Funderburg, Keene-Belvidere Canning Co., Belvidere, Ill.
 W. W. Giddings, Polk Packing Assn., Winter Haven, Fla.
 William E. Halstead, Halstead Canning Co., Inc., Cortland, N. Y.
 Roy E. Ingalls, Washington Packers, Inc., Sumner, Wash.
 A. C. Ketzler, Bordo Products Co., Winter Haven, Fla.
 William Kinnaird, Northern Processing Co., Traverse City, Mich.
 A. T. Leatherbury, Eastern Shore Canning Co., Machipongo, Va.
 M. H. Mann, Red Lodge Canning Co., Red Lodge, Mont.
 E. R. Elwell, Burnham & Morrill Co., Portland, Me.
 Walter W. Maul, Mushroom Cooperative Canning Co., Kennett Square, Pa.
 Fred Moss, Idaho Canning Co., Ltd., Payette, Idaho.

William Opitz, Elkhorn Canning Co., Elkhorn, Wis.
 A. R. Plummer, Kings County Packing Co., San Francisco, Calif.
 Stanley Powell, California Packing Corp., San Francisco, Calif.
 Fred C. Pratt, J. W. Pratt Co., Farmington, Me.
 F. L. Shannon, W. N. Clark Co., Rochester, N. Y.
 L. E. Shannon, Otoe Food Products Co., Nebraska City, Nebr.
 J. I. Smith, Jr., Esmeralda Canning Co., Circleville, Ohio.
 D. B. Stringham, Royal Canning Corp., Ogden, Utah.
 T. Stran Summers, Charles G. Summers, Jr., Inc., New Freedom, Pa.
 Frank J. Tormey, Snider Packing Div., General Foods Corp., Rochester, N. Y.
 C. B. Torsch, Torsch Canning Co., Baltimore, Md.
 Carl B. Uraun, Cranberry Canners, Inc., Hanson, Mass.
 Joseph Weber, Durand Canning Co., Durand, Wis.
 George S. Wenger, Lake Erie Canning Co., Sandusky, Ohio.
 Henry A. White, Hawaiian Pineapple Co., San Francisco, Calif.
 H. C. Whiteford, Whiteford Packing Co., Whiteford, Md.
 A. T. Williams, French Sardine Co., Terminal Island, Calif.

Finance Committee

Carroll E. Lindsey, Highlands City, Fla., Chairman.
 W. I. Andrus, Grand Rapids, Mich.
 Harold K. Bachelder, Indianapolis, Ind.
 Herbert J. Barnes, Kaysville, Utah.
 F. E. Brewer, Marshalltown, Iowa.
 H. L. Cannon, Bridgeville, Del.
 E. B. Cosgrove, LeSueur, Minn.
 S. B. Cutright, Hoopeston, Ill.
 Ralph O. Dulany, Fruitland, Md.
 Alfred W. Eames, San Francisco, Calif.
 A. T. Flynn, Chicago, Ill.
 Hugh K. Funderburg, Belvidere, Ill.
 Frank Gerber, Fremont, Mich.
 Walter L. Graefe, Griffin, Ga.
 H. E. Gray, San Jose, Calif.
 Arthur Hamilton, Lebanon, Ohio.
 F. A. Harding, Watertown, Mass.
 H. F. Krimendahl, Celina, Ohio.
 H. E. MacConaughay, San Francisco, Calif.
 Karl Kuner Mayer, Brighton, Colo.
 B. C. Olney, New York, N. Y.
 Robert C. Paulus, Salem, Oregon.
 Ralph Polk, Jr., Tampa, Fla.
 E. N. Richmond, San Jose, Calif.
 H. N. Riley, Pittsburgh, Pa.
 Emil Rutz, Sunnyvale, Calif.
 F. A. Stare, Columbus, Wisconsin.
 John B. Stokely, Indianapolis, Ind.
 Clarence M. Walters, Chicago, Ill.
 Joseph B. Weix, Oconomowoc, Wis.
 Paul N. Wolf, Gwynneville, Indiana.

Administrative Council

The Administrative Council met on Thursday and Friday preceding the Processors' Conference and devoted a large part of its time to consideration of the reports of the Committee on Planning for 1944 Production and the Formula Pricing Committee. At the end of two days' consideration the Council approved, for submission to the Board of Directors, the Planning Committee's report as amended—during the discussions.

The Council approved the budget for 1944 to be recommended to the Board of Directors, and also gave its approval to a retirement plan for Association employees submitted by the Pension Committee, for which there was provided in the budget an appropriation of \$100,000 from Association funds. This amount, supplemented by a contribution of \$120,000 by can manufacturers, will provide a pension fund sufficient to liquidate the liability for service of employees to date of establishment of the retirement system. The liability for future service will be met by an annual appropriation by the Association not to exceed 10 per cent of the salaries of employees covered by the retirement plan.

The Council authorized appointment of a special committee to study the program for establishment of community

canning centers and to take such action as the subject warrants.

Report on the status of the Trust Fund, submitted by H. L. Cannon, one of the trustees of that fund, was accepted by the Council.

The report of the Auditor on the accounts of the Association was received and filed.

Board of Directors

The Association's Board of Directors met on Saturday preceding the Processors' Conference, with President Lindsey presiding.

Chairman M. C. Hutchinson of the Administrative Council presented the audited report of the Treasurer of the Association and the tentative budget for 1944 as recommended by the Council. The tentative budget was approved.

E. B. Cosgrove of the Pension Committee, submitted to the Board the retirement plan the Committee had developed and explained its provisions. The Board approved the plan and the appropriations as carried in the tentative budget recommended by the Administrative Council, for establishing the plan.

The Board approved the recommendation of the Administrative Council that the rate for membership dues for

1944 be the same as for 1943, that is, three-tenths of a cent per case on seasonal products and three-twentieths of a cent per case on non-seasonal products.

Reports were received from Chairman E. N. Richmond, of the Manpower Committee, Chairman Walter L. Graefe of the Legislative Committee, and Chairman E. B. Coagrove of the Labeling Committee. Acting Chairman H. T. Cumming of the Planning Committee submitted the report of that committee as approved by the Administrative Council. The Board approved the report with several amendments.

President Lindsey appointed the following Committee on Rationing: H. T. Cumming, M. C. Peters, Milton Brooding, F. A. Stare, D. Thompson Swing.

Plans for Nutrition Research Are Made for 1944 Season

Prior to the opening of the Processors' Conference in Chicago, a series of meetings was held by the Nutrition Advisory Committee and the Executive Nutrition Committee to review the progress of the 1943 program and make plans for its continuation in 1944.

There was discussion of the first year's work and the manuscripts which have been prepared for publication this year. The results presented in these statements have particular reference to the content of dietary factors as found in the large number of samples of unformulated canned foods which were taken during the 1942-43 season. These will be the first published contributions resulting from the nutrition project sponsored jointly by the National Canners Association and the Can Manufacturers Institute.

Attention is being given to the formation of a committee on publication whose duty it will be to assemble existing information derived from the program and present it in the various ways to obtain maximum coverage to scientists, to the industry, and consumers.

The plans for 1944 are formulated and the detailed programs for the west, central, and eastern areas will soon be presented to those universities which are expected to participate.

In support of the new work, approval was given by the Board of Directors to an appropriation of \$25,000 and a like sum will be forthcoming from the Can Manufacturers Institute.

In the near future it is expected to prepare a supplement for the INFOR-

MATION LETTER which will provide a detailed progress report on the 1943 investigations.

Manpower Conference Is Held By State Secretaries

The State Secretaries' Manpower Conference was held on February 14 of Conference Week. The purpose and the spirit of the meeting was that of free, round-table discussion of last year's successful recruiting experiences and the canning season's plans.

Fay W. Hunter, Chief of the Bureau of Placement of the Rural Industries Division of the War Manpower Commission, and his assistant, Walter Erb, were present, together with a number of Regional and State WMC directors. These men were asked and answered, among others, many detailed questions on the use of prisoners of war. Mr. Hunter suggested that the canners in each region make an attempt to obtain, by approach to the Regional WMC Director, food processing representation on Regional and Area Management Labor committees.

Captain Gagliardo and Lieutenant Roshar of the Quartermaster's office, also were present. Captain Gagliardo spoke briefly, offering such service as the Office of the QMG can render on manpower problems.

Alfred C. Zander of the Information Division of WMC described the WMC program for advertising and publicity for recruiting workers for the 1944 season. The OWI, the Advertising Council, and the WMC are preparing advertisements, radio announcements, and other advertising plans which are to be presented to national advertisers. This phase of the publicity will emphasize the acute need for workers in agriculture and food processing plants. Because such advertising will appear in national magazines and on national radio hook-ups, it will be general in its nature.

More important for actual recruiting of cannery workers in each locality will be a kit of materials for local use—newspaper advertisements, spot radio announcements, new releases for the newspapers, posters, etc. These materials will be distributed to all processors of perishables and to every local representative of the USES. There will also be a series of posters for use inside the plants for the purpose of urging employees to "stick on the job" and "see the job through".

At one time or another representatives from each of the States told of some successful plan which had worked well last year or offered a suggestion for consideration.

Hamilton QM Club Organized

In a meeting held in Chicago, February 11, a new organization known as the Hamilton QM Club was formed.

The purpose of the Hamilton QM Club is to perpetuate annual contacts between those civilian and Army officers who during World War II were brought into the War Department to procure canned foods for the armed forces. In all instances, the civilians involved, and in most instances the officers involved, were brought in from the food industry, and it is expected that after the termination of the war, these men will again return to the food industry.

At the organizational meeting, conducted by Temporary Chairman Frank H. Mathews, who explained its purposes, Mr. Mathews stated: "This is the only club of its kind. It is hoped that at the end of this present world conflict, there will never be the need of gathering together another group such as this."

The following officers were unanimously elected by the membership:

President—J. Howard Hamilton, Consultant to the Secretary of War; Vice Presidents—W. W. Halford, California Depot, Harry Rice, Jersey City Depot, and E. Norton Reuswig, Consultant, OQMG, Washington, D. C.; Secretary—John A. Mullanen, Chicago Depot; Treasurer—George Hathaway, formerly Chicago Depot.

The Hamilton QM Club will hold its annual meeting at the same time as the National Canners Association.

Frozen Food Packers Meet

The National Association of Frozen Food Packers, whose members participated in the general sessions of the Processors' Conference, also held their individual association annual meeting at the Morrison Hotel, February 15, with President Edwin T. Gibson, presiding.

The feature of this meeting was an address by Carl R. Kolb, Consultant in the Office of the Quartermaster General, who outlined the government procurement methods and frozen food requirements for 1944. Mr. Kolb stated that the objective of the armed forces in the 1944 frozen food procurement program is the purchase of 50,000,000 pounds of frozen vegetables. He stated that the fruit program for 1944 is now being developed, but that the quantities involved probably will not be sufficiently large to warrant the use of the same kind of over-all program described for vegetable freezers.

Mr. Martin reviewed the accomplishments of the NAFFP during the year and the following officers were elected:

President: Ralph O. Dulany, John H. Dulany and Son, Fruitland, Maryland.

Vice-Presidents: R. M. Hagen, California Consumers Corporation, Los Angeles, California; J. M. Seaman, Boseman Canuing Company, Mt. Vernon, Washington.

Secretary-treasurer: Lawrence Martin, Washington, D. C.

Meeting of Preservers

Production plans for preservers were discussed in the general sessions of the Processors' Conference and further detailed at a special session held by the National Preservers Association at the Morrison Hotel. The new requirements represent a substantial increased supply of these products.

With President Willard E. Smucker presiding, preservers heard addresses on various aspects of their industry and procurement problems by the following government officials: E. A. Meyer, Chief, Industry Operations Branch, Office of Production, War Food Administration; John E. Dodds, Chief, Processed Marketing Division, Office of Distribution, WFA; Wayne C. Meschter, Consultant, WFA; John F. Gismond, Walter Sions, and Carl N. Lovegren, Food Price Division, Office of Price Administration; Curtis Rogers, Nolan Jackson, and Harold Webner, Rationing Division, OPA.

Officers for 1944 are President, W. E. Smucker, J. M. Smucker Co., Orrville, Ohio; Vice President, R. J. Glaser, Glaser-Crandell Co., Chicago; Secretary-Treasurer, W. A. Barnes, Wheeler-Barnes Company, Minneapolis, Minnesota; Managing Director, W. L. Walde, Washington, D. C.

Dehydrators' Meeting

In addition to hearing addresses by government officials and technical men, food dehydrators adopted plans for expanded Association activities in 1944. A \$100,000 fund was voted for inauguration of a research program.

Speakers present at the general session included John E. Dodds of the War Food Administration who outlined the 1944 dehydration program, Lt. Col. Cecil G. Dunn of the Office of the Quartermaster General, who spoke on dehydration from the Army's point of view, and Melvin W. Bishop, procurement specialist of the Chicago Quartermaster Depot, who summarized Army procurement procedure. Francis J. Moyer, in the absence of Dr. Donald K. Tressler, read an address which

posed the question: Can We Produce the Kind of Dehydrated Food the Public Wants? Concluding the general session, Dr. Kenneth T. Farrell, Chief of the Field Service Section of WFA, spoke on industry needs.

The following 1944 officers of NDA were elected: Chairman of the Board, Joseph B. Pardieck, California Vegetable Concentrates, Inc., Huntington Park, Calif.; President, Francis J. Holland, Little and Company, Chicago, Ill.; Vice Presidents: J. H. Hume, Basic Vegetable Products Co., San Francisco, Calif.; Russell Makepeace, A. D. Makepeace Co., Wareham, Mass.; O. L. Maxey, Deerfield Packing Co., Bridgeport, N. J.; J. R. Simplot, J. R. Simplot Dehydration Co., Caldwell, Idaho; Douglas N. Warriner, Warriner Starch Co., St. Francisville, La.; Charles Watson, 3rd, Dry-Pack Corp., New York City; and S. S. Wyler, Wyler and Company, Chicago, Ill. Graham Adams was reelected Executive Secretary.

Food Subsidy Ban Passed

On a roll-call vote of 249 to 118, the House approved the Conference Committee changes in the measure banning food subsidies after June 30, and the completed bill was sent to the White House on February 17. The day before, the Senate had agreed to the report without a vote.

In addition to the anti-subsidy measure, the President has on his desk the tax and renegotiation bill that is estimated to raise something over \$2,000,000,000 in additional revenue. The Administration had asked for approximately \$10,000,000,000 in added taxes.

The President has signed the appropriation of \$30,000,000 to finance the War Food Administration's farm labor program for 1944. As finally enacted, the measure gives WFA discretionary authority to permit the use of labor recruited under the program in the canning of seasonal agricultural products.

Asparagus, Bean, Miscellaneous Vegetable, and Maraschino Cherry Price Provisions Affected by Amendment 26 to MPR 306

Several changes that became effective February 18 in the regulation controlling canned food prices of the 1943 pack have been announced by the Office of Price Administration in Amendment 26 to MPR 306.

Provisions for differential pricing of certain container sizes of asparagus, snap beans, and miscellaneous vegetables were added to the regulation. Originally, the regulation provided specific dollars-and-cents maximum prices per dozen, varying by geographical area, for asparagus and snap beans.

Amendment 26 provides differentials by which processors can determine maximum prices for container sizes not previously priced. For example, in the case of asparagus, a No. 303 can is priced at 85 per cent of the maximum price established for the No. 2 can size of similar grade.

The provision regulating the manner in which a packer determines his 1943 cost for miscellaneous vegetables for which support prices have been listed by the War Food Administration is changed to bring it into line with general pricing provisions elsewhere in the regulation. The processor now must figure his cost on these vegetables on the basis of not less than 75 per cent of his total purchases for the canning season, subject to the additional proviso that his cost may not exceed applicable support prices.

The base period to be used by processors in determining their maximum

prices for brined cherries has been changed from the first 60 days after the beginning of the 1941 pack to the period September 1-November 30, 1941. The original base, OPA has been informed, did not take into account the fact that cherries are placed in brine for 60 days before pitting begins and that few, if any, sales occur in this period. Most sales are made after the pitting operations begin early in September and for this reason, the new base period was considered proper.

A new provision establishes a formula by which processors of brined, maraschino and glace (drained) cherries who use red sour cherries in their work can determine their maximum prices. The amendment sets the maximum raw fruit cost, in the formula under which prices for these commodities are figured, at 8½ cents a pound. This figure had previously been set, in another regulation, as maximum selling price for the fruit.

Maximum producer prices for tomatoes and snap beans packed in certain counties in northern Idaho for civilian sales have been adjusted upward slightly to bring them in line with prices for the same items when packed in the State of Washington, where the raw material actually is purchased. The subsidy contracts with respect to tomatoes have been adjusted and the subsidy contracts with respect to snap beans will be adjusted to take care of the increase over costs in the region last year.

Unlimited M-81 Quotas Set For Orange Juice and Blends

Can manufacturers were notified February 11 that unlimited packing quotas have now been established for orange juice and blended orange and grapefruit juice for the 1943-44 season. The Association was authorized to notify citrus juice packers of this change in packing quotas in a February 12 letter from Glenn E. Knaub, Administrator of the Food Section of Order M-81, War Production Board. The official authorization reads as follows:

The provisions of Section (b) of Order M-81 (as amended January 3, 1944) are waived to the extent necessary to permit an unlimited packing quota on the following items in Schedule I. Item 13, Orange Juice, Item 14, Orange-Grapefruit Juice Blended. You are hereby authorized to notify purchasers of such cans of this exception and furnish them a copy of this wire as evidence of their authority to purchase, accept delivery of and use such cans.

1944 RESERVATION QUOTAS

Although canners were apprised of the increased quantities of their products that are to be reserved for the Government out of this coming season's pack, both at the Conference in Chicago and by an industry-wide mailing from the Association's Washington office, there is reproduced below the complete text of Food Distribution Order 22.6. A discussion of the order will be found in the remarks of Mr. Hamilton and Mr. Dodds on pages 8055 and 8061, respectively, of this issue of the LETTER.

§ 1425.8 Quota restrictions and allocations

(a) Definitions.

The definitions contained in Food Distribution Order No. 22, as amended, shall, when used herein, have the same meaning as set forth in Food Distribution Order No. 22, as amended; and when used in this order, unless otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) The term "quota period" means the period from January 1, 1944, to December 31, 1944, both inclusive.

(2) The term "base period" means the period from January 1, 1942, to December 31, 1943, both inclusive.

(3) The term "base pack" means, when applied to each canned food listed in column A of table 1 attached hereto and by this reference made a part of this order, one-half the total amount, by net weight, of all types, styles, varieties, and grades of such food canned by the respective canner or processor during the base period: *Provided*, That if the respective canner or processor canned any particular food listed in column A of table 1 during only one of the two calendar years of

the base period, his base pack for that food shall be his total pack, by net weight, of such food during the said calendar year in which he canned the said food. In the event a canner or processor packed any product listed in column A of table 1 attached hereto during the base period at any plant which he does not operate during the quota period, there shall be deducted, in computing his base pack, the portion represented by his production at such plant during the base period. In the event a canner or processor packs any product listed in said column A of table 1 during the quota period at any plant which he did not operate during the base period, there shall be added, in computing his base pack, the proportionate quantity represented by the production, if any, of the person who operated such plant during the base period.

(b) Applicability of this order.

The terms and conditions of this order shall be applicable to (1) all canned vegetables, canned fruits, canned vegetable juices, and canned fruit juices listed in column A of table 1 which are packed during the quota period in any of the 48 States of the United States or the District of Columbia, and (2) all canned pineapple and canned pineapple juice which are packed during the quota period in the Territory of Hawaii.

(c) Set-aside restrictions.

Each canner or processor who packs any canned vegetable, canned fruit, canned vegetable juice, or canned fruit juice covered under this order during the quota period shall, to the extent that the quantity so packed may be adequate, set aside and thereafter hold for sale and delivery to Government agency from his pack of each such product, for the quota period, a quantity equivalent to the quantity obtained by applying the percentage for the particular products listed in column D of table 1 against his base pack of that product. If the type, style, variety, or grade of the particular product is specified in the aforesaid table 1, the portion set aside shall, so far as available, be in the type, style, variety, and grade as specified; but other types, styles, varieties, or grades in the possession of a particular canner or processor as may be specified by the procuring Government agency shall be substituted to the extent that those specified in said table 1 have not been packed by such canner or processor. In the event a canner or processor is preparing to pack, during the quota period, any canned vegetable, canned fruit, canned vegetable juice, or canned fruit juice, listed in column A of said table 1, which he did not pack during the base period and for which unlimited tinplate is available under § 3270.31 of Conservation Order M-81, issued by the War Production Board on February 11, 1942, as amended (7 F.R. 947, 10321, 8 F.R. 14455, 9 F.R. 82), he shall so inform the Director by letter, and

state therein the quantity of such product which he anticipates that he will pack; and such canner or processor shall set aside for sale and delivery to Government agency a portion of his pack of each such product for the quota period equivalent to the quantity obtained by applying the percentage for the particular product, listed in column D of table 1, against his total production of such product during the quota period.

(d) When entire pack not set aside for Government agency.

(1) In the event a canner or processor packs any canned vegetable, canned fruit, canned vegetable juice, or canned fruit juice, listed in column A of table 1, for non-governmental requirements as well as for governmental requirements, the portion of each such product required to be set aside by him for Government agency shall be set aside as follows: (i) At least two-thirds of the set-aside portion, if it is available, shall be taken from the first preference grade of the canned product, as specified in column F of table 1, but, if the quantity of the said first preference grade which is available is not sufficient to meet that requirement, the total quantity of such first preference grade shall be set aside for Government agency; (ii) To the extent that the quantity set aside for Government agency from the first preference grade in accordance with the provisions of (i) above may fail to complete his set-aside quota, he shall set aside from his production of the second preference grade of the canned product, as specified in column G of table 1, such quantity to complete his set-aside quota as may be available, but, if the quantity of said second preference grade which is available is not sufficient to complete such set-aside quota, the total quantity of such second preference grade shall be set aside for Government agency; and (iii) To the extent that the quantities set aside for Government agency from the first and second preference grades in accordance with the provisions of (i) and (ii) above may fail to complete his set-aside quota, he shall set aside from his production of his third preference grade of the canned product, as specified in column H of table 1, sufficient of such quantity to complete his set-aside quota as may be available: *Provided*, That, if there is an insufficient quantity of all three preference grades to complete his set-aside quota, he shall set aside from such other grades in his possession as may be designated by Government agency sufficient of such quantity to complete his set-aside quota as may be available.

(2) In the event a canner or processor packs a canned product covered hereunder partly in tinplate containers and partly in glass containers, the portion to be set aside for Government agency from the several preference grades of such product in accordance with the provisions of (d) (1) hereof shall be that which is packed in tin-

plate to the extent that such type of pack is available in the respective grades; and the particular product packed in glass containers shall be set aside from any such preference grade only in the event and to the extent necessary to meet any such deficiency when there is not enough of that product of that preference grade packed in tinplate to meet the set-aside requirements for such grade.

(8) Within the limits of, and subject to the restrictions set forth in (d) (1) and (2) hereof, a minimum of one-half and a maximum of two-thirds (except with the consent of the particular procuring Government agency) of the quota of any canned product for Government agency shall be set aside in the largest can size specified for that product in column I of table 1 to the extent that the product packed in such largest can size is available in the respective preference grades, and the remainder, if any, of the set-aside quota for the canned product shall be in the other can sizes, if any, specified in said column I of table 1: *Provided*, That the portion of the set-aside quantity of the canned product represented by the

contingency reserve percentage for such product shown in column C of table 1 may, at the option of the particular canner or processor, be packed and set aside in any can size permitted under the aforesaid Conservation Order M-81, as amended.

(e) *Reports.*

The reports required by § 1425.1 (e) of Food Distribution Order No. 22, as amended, shall be submitted on Form FDA-686. The reports shall be submitted to the Director within 15 days after the completion of the pack. (This reporting requirement has been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.)

(f) *Purchase, inspection, and specifications.*

The Army of the United States is hereby allocated the quotas prescribed herein for Government agency, and the Army may purchase said quotas for its own account or the account of other Government agencies whenever it has agreed with such agencies to do

so. The Army of the United States and the Office of Distribution, respectively, are authorized to inspect and grade such canned foods pursuant to § 1425.1 (d) of Food Distribution Order No. 22, as amended. The Army of the United States is authorized to issue specifications at any time with regard to the processing, packing, containers, container treatment, can marking, labeling, boxing, and strapping of such canned foods pursuant to § 1425.1 (b) (5) of Food Distribution Order No. 22, as amended.

(g) *Provisions of Director Food Distribution Orders Nos. 22-4, as amended and 22-5 not affected.*

The provisions of this order shall not be considered as rescinding or modifying the provisions of Director Food Distribution Order No. 22-4, as amended (8 F.R. 6578 and 11590), or the provisions of Director Food Distribution Order No. 22-5 (8 F.R. 10007).

(h) *Effective date.*

This order shall be effective as of 12:01 a. m., e. w. t., February 11, 1944.

TABLE 1—CANNED VEGETABLES, CANNED FRUITS, CANNED VEGETABLE JUICES, AND CANNED FRUIT JUICES

A Product	B Specific reserve	C Conting- ency reserve	D Total (cols. B & C)	E Type, style variety (sequence does not denote preference)	F First	G Second	H Third	I Can size
					Grade preferences			
Apples	66	7	75	Heavy pack	Standard	Fancy		10.
Applesauce	47	5	52	Halved, unsliced	Fancy	Standard		10-2.
Apricots	63	7	70		Choice	Standard (Fancy not desired)	Pie or water pack.	10-2½.
Berries ¹	66	7	75		Water pack	Fancy		10.
Blueberries	66	7	75		Water pack	Fancy		10.
Cherries	66	7	75	Water pack	Standard			10-2.
Figs	42	4	46	Kadota	Choice	Fancy		10-2½.
Fruit Cocktail	63	7	70		Choice	Fancy		10-2½.
Peaches	63	7	70	Yellow clingstone halved or sliced	Choice	Top Std. ²		10-2½.
				Freestone yellow halved or sliced	Choice	Fancy		10-2½.
Pears	63	7	70	Bartlett, halved	Choice	Top Std. ²	Fancy	10-2½.
Pineapple	63	7	70	Sliced, crushed, chunks, tidbits (ex- cept cocktail tidbits)	Fancy	Top Std. ²	Std.	10-2½-2.
Pineapple Juice	65	7	72		Fancy			10-3, cyl-2.
Asparagus	48	5	53	All green or culturally bleached	Fancy cut	Fancy spear		10-2½-2.
Beans, Lima	51	5	56	Fresh	Extra Std.	Top Std. ²	Fancy	10-2.
Beans, snap	49	5	54	Green, wax-cut	Extra Std.	Top Std. ²	Fancy	10-2½-2.
Beets	53	5	58	Cut, quartered, diced, sliced	Fancy	Top Std. ²		10-2½-2.
Carrots	143	7	150	Diced	Fancy	Top Std. ²		10-2½-2.
Corn, sweet ³	28	3	31	White, yellow-cream style, whole ker- nel	Fancy or Extra Std.	Top Std. ²		10-2.
Pear	37	4	41	Alaska 3, 4 sieve; sweet 3-sieve and larger, ungraded	Extra Std.	Top Std.	Fancy	10-2.
Pumpkin or Squash	37	4	41		Fancy	Top Std. ²		2½.
Spinach	44	4	48		Fancy	Top Std. ²		10-2½-2.
Tomatoes	49	5	54		Extra Std.	Top Std. ²	Fancy	10-2½-2.
Tomato catsup	51	5	56		Fancy 30-35% solids	Fancy 35% sol- ids or over	Fancy 25-30% solids	10-3 cyl., 12½-2. 14 oz. glass or larger.
Tomato juice	58	6	64		Fancy			10-3 cyl., 2.
Tomato puree	26	3	28	Heavy (minimum specific gravity— 1.045)	Fancy			10.
Tomato paste	23	3	26		Fancy			10-2½-2-6 oz.

¹ Blackberries, boysenberries, loganberries, youngberries only. Percentage applies to combined pack of these four varieties.

² Syrup pack not desired.

³ Top standard means 70-74 inclusive as defined in terms of U. S. grades.

⁴ Top standard means 80-84 inclusive as defined in terms of U. S. grades.

⁵ Full inside enamel cans required. Number 10 cans to be used for whole kernel only.

CCC Announces Terms Under Which Bean, Pea, and Tomato Canners Will be Reimbursed for Certain Transportation Costs

The amount and method by which the Commodity Credit Corporation will reimburse canners of snap beans, tomatoes, and peas for transportation costs from assembly points under Section 10(a) of the purchase and resell program was announced under date of February 12 by the War Food Administration. Text of the announcement follows:

To Certified Processors of Snap Beans, Tomatoes, and Green Peas:

Pursuant to paragraph 10 (a) of the "Offer of Commodity Credit Corporation to Purchase and Resell Designated Vegetables Which Are Processed in 1943," and subject to the conditions specified below, Commodity Credit Corporation will increase its purchase prices for snap beans, tomatoes, and green peas in order to reimburse processors for the cost of transporting certain tonnages of such vegetables from approved assembly points to their plants. Such increases in the purchase prices will be applicable only to certified processors who have accepted, and complied with the terms of, the Offer, and to the tonnages of the vegetable packed for civilian consumption as determined in connection with such processors' Applications for Final Settlement (1943 CCC Vegetable Form 4). No provision is made for increasing the price of sweet corn as this vegetable is not customarily handled through assembly points.

(1) Approved assembly points will include only pea viners and market places, receiver stations, or assembly points to which a substantial number of growers customarily deliver the vegetable. No allowance will be made for the cost of transporting any tonnage of a vegetable from one to another of the processor's plants, from points of roadside pickup to the processor's plant or assembly point, or in the case of green peas, from field to viner.

(2) A separate application for an increase in the purchase price shall be submitted by each eligible processor for each vegetable and for each plant at which the vegetable was processed. Each such application shall be submitted in accordance with the attached instructions.

(3) Any increase in the purchase price of a vegetable made pursuant to this announcement will be based on the *smallest* of the following allowances for the cost of transporting certain tonnages of the vegetable from approved assembly points to the processor's plants:

(a) the actual cost per ton paid by the processor for transportation of vegetables hauled by common or other carriers.

(b) the cost per ton of transporting vegetables hauled in the processor's own trucks as certified by the processor.

(c) the maximum allowance for transportation costs shown in the table on the reverse side of this announcement.

(4) Such allowances will be reduced to the extent that—

(a) the Processor has already recovered transportation through an adjustment of prices paid for the vegetable pursuant to paragraph 5 (c) of the Offer.

(b) the Processor is permitted by the Office of Price Administration to base his ceiling prices for products of the vegetable on a raw material cost computed from a price for the vegetable in excess of the resale price in the area where the product is manufactured.

(5) This announcement shall not apply to the tonnage of any vegetable for which Commodity Credit Corporation has previously offered to increase the purchase price to compensate for the cost of transporting such tonnage from assembly points to Processors' plants.

MAXIMUM ALLOWANCE FOR TRANSPORTATION COSTS¹

Distance from assembly point to plant	Allowance for transportation costs Per ton
5 miles or less.....	0
5.1 to 10 miles.....	\$1.15
10.1 to 50 miles.....	\$1.15 plus 25 cents for each 5 miles or fraction thereof over 10 miles.
50.1 to 75 miles.....	\$2.15 plus 20 cents for each 5 miles or fraction thereof over 50 miles.
75.1 to 100 miles.....	\$4.15 plus 15 cents for each 5 miles or fraction thereof over 75 miles.
100.1 to 150 miles.....	\$4.90 plus 10 cents for each 5 miles or fraction thereof over 100 miles.
150.1 and more miles.....	\$5.90 plus 5 cents for each 5 miles or fraction thereof over 150 miles.

¹ Such allowance will in no case exceed \$3 per ton for tomatoes, \$5 per ton for green peas, or \$10 per ton for snap beans.

Greenleaf Assistant Director of Washington Laboratory

Upon recommendation of the Executive Research Committee of the Association, C. A. Greenleaf has been made Assistant Director of the Washington Research Laboratory.

Mr. Greenleaf obtained his B. S. degree from Clarkson College, in Potsdam, N. Y., and his M. S. degree from George Washington University, in Washington, D. C. He has been on the laboratory staff of the Association for 15 years, having a previous background of experience in food research at the Bureau of Chemistry for 5 years. In his new assignment, Mr. Greenleaf, in addition to administrative studies, will have direct charge of chemical research problems.

1944 SUPPORT PRICES

WFA Announces Proposed Figures for Vegetables for Canning and Canned Vegetables

Details of the proposed price support program to growers and canners designed to facilitate maximum production and processing of vegetables for canning in 1944 were announced February 18 by the War Food Administration. This program is designed to assure farmers of receiving the prices necessary to produce the needed quantities of vegetables for canning in line with existing facilities and at the same time protect canners who pay the support prices to growers against the possibility of inventory losses which might be incurred from maximum packs of the canned vegetables covered by the program.

The announcement provides further details of the price support program for vegetables for canning released on January 28, 1944. The program, as pointed out at that time, is subject to action by the Congress making provision for carrying out the price support program of WFA and will not be effective unless such provision is made.

The support prices which have been set for snap beans, sweet corn, green peas, tomatoes, beets, carrots, lima beans, and spinach are those at which canners must agree to contract with growers in 1944 in order to become eligible for protection under the support program for the canned products.

The grower who contracts with a certified canner will have assurance of receiving the support prices. No provision is made for obtaining support prices in any other manner and no obligation is made to support prices for uncontracted products at any level even

though processors will be encouraged to use all vegetables grown, insofar as processing capacity and other factors permit.

Canners participating in the program will be certified by State Agricultural Conservation Committees as having agreed to contract with producers for at least the specified support levels for the raw products. Following is additional text of the WFA announcement:

WFA will accept all quantities of 1944 crop canned snap beans, sweet corn, green peas, beets, tomatoes, tomato juice, tomato pulp, tomato paste, carrots, lima beans, and spinach offered to it by certified canners at levels equivalent to 86 1/2 per cent of the canner's gross civilian ceiling prices (approximately 90 per cent of net civilian ceilings). Appropriate adjustments in individual canners' support levels in relation to area averages and for grade differentials applicable to formula maximum priced items will be announced by WFA after OPA ceilings are issued. Special styles and fancy packs will be accepted at price levels applicable to ordinary commercial packs. The support level for certified canners who purchase raw material on the open market will be adjusted for any raw product costs below the support levels.

The offer to support the price of these processed foods will extend throughout the normal marketing season for each product. Packers may be required to store these commodities at their expense until 30 days after the expiration date of the offer in the event WFA does not have immediate use for the products. The offer to purchase, as a price supporting measure, the specified canned vegetable commodities will apply to all quantities offered that grade U. S. Standard or better. Offers will be accepted from original processors only.

The State and local Agricultural Conservation Committees will cooperate with producers and processors in every way possible to encourage contracting for the acreage needed this year. Lists of canners who contract with growers and make purchases at the announced support prices to growers, thus becoming eligible to participate in the support program on the processed commodity, will be prepared and certified by the Committees.

The following schedule of prices to growers for 1944 by States and areas is on a field run basis and refers to all vegetables for processing, including both canning (which are supported under this program) and freezing. The detailed breakdown of prices by varieties, grades, and sizes according to utilization will be furnished to the State Agricultural Conservation Committees and processors at an early date.

These prices are expressed in dollars per ton and unless otherwise indicated, are for vegetables delivered to the processors' plant or major assembly point, whichever has been customarily used by growers and processors.

	Per ton
1. SNAP BEANS	
Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland and Virginia	\$ 90.00
New York	100.00
California, Washington, Oregon, Utah, Idaho, Montana, Wyoming, Nevada, Colorado, and New Mexico:	
For pole beans only	110.00
Bush beans in these States	80.00
Oregon and Washington wax beans	110.00
All other States	80.00
2. LIMA BEANS	
New Jersey	120.00
Washington, Oregon, California, and Northern ¹ and Southwestern Idaho ²	115.00
Southeastern Idaho, Utah, Wyoming, Delaware, Maryland, and Aesomae and Northampton Counties, Virginia	100.00
All other States	95.00
(The War Food Administration, upon recommendation of State Agricultural Conservation Committees, will determine maturity applicable to these prices and will establish price differentials for varying grades of maturity or color.)	
3. BEETS	
New York, New Jersey, Washington, Oregon, and California	\$ 1.00
All other States	19.00
4. CARROTS	
New York and New Jersey	22.00
All other States	20.00
5. SWEET CORN	
Maine and New Hampshire	28.00
Vermont	22.00
New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia	19.00
Washington, Oregon, and Northern ¹ and Southwestern Idaho ²	23.00
All other States	17.00
6. TOMATOES	
Maine, New Hampshire, Vermont, Northern and Western New York, and Northern Pennsylvania ³	25.00
Rhode Island, Connecticut, Southeastern New York, New Jersey, Delaware, Eastern Maryland, and Aesomae and Northampton Counties of Virginia	28.00
Southern Pennsylvania, Western Maryland, Virginia Mainland, and West Virginia	27.00
Washington, Oregon, and Northern and Southwestern Idaho	26.00
Northern California ⁴	25.00
Southern California ⁵	27.00
All other States	24.00
(Pear-shaped or Italian tomato support prices are \$2 higher than the above except in California where the support price for such tomatoes is \$27.)	
7. GREEN PEAS	
Delaware and Maryland	91.00
New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and Pennsylvania	90.50
Virginia	89.50
Skagit and Snohomish Counties in Washington	89.00
Maine	88.50
New York	88.00
New Jersey, Iowa (except Southwest Iowa), West Virginia, North Carolina, Kentucky, and Tennessee	86.00
Illinois and Southeast Wisconsin	85.00
Minnesota, Northwest Wisconsin, Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina	82.50
Arkansas	81.00
Ohio	80.50
Oregon (except Malheur County), Washington (except Skagit and Snohomish Counties), and Northern Idaho ¹	79.00
Michigan, Texas, Utah, and Southeast Idaho	78.50
Indiana	77.50
Missouri, Southwest Iowa, Nebraska, Oklahoma, and Kansas	76.50
Arizona and Nevada	76.00
California, Colorado, and Montana	74.00
South Dakota and North Dakota	73.50
Wyoming	73.00
Southwest Idaho, Malheur County of Oregon, and New Mexico	72.00
(Prices include value of services rendered to the grower by the canner. Evaluation of services will be determined by the State Agricultural Conservation Committee. Breakdown of these average prices by varieties, grades, and for sizes will be established by WFA upon recommendations of State Agricultural Conservation Committees.)	
8. SPINACH (Prices to be announced later.)	
FOOTNOTES	
¹ Boundary, Bonner, Kootenai, Shoshone, Benewah, Latah, Nez Perce, Clearwater, Lewis, and Idaho Counties. ² Adams, Valley, Washington, Payette, Gem, Canyon, Boise, Elmore, Ada, Owyhee, Camas, Gooding, Lincoln, Jerome, Minidoka, Twin Falls, and Cassia Counties. ³ Erie, Crawford, Mercer, Venango, Forest, Warren, McKean, Potter, Tioga, Bradford, Wayne, and Susquehanna Counties. ⁴ Green, Columbia, Ulster, Dutchess, Putnam, Westchester, Rockland, Orange, Albany, and Rensselaer Counties and all of Long Island. ⁵ Santa Barbara, Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego, and Imperial Counties. ⁶ Roadside delivery will be considered as the major assembly point in California for tomatoes.	